



DEPRECIATION REPORT

**FOREST CROWNE CLOSE
300 & 400 FOREST CROWNE CLOSE
KIMBERLEY BC**

STRATA PLAN NES 2947



Forest Crowne Close
NES 2947

June 30, 2023

File No. R1155451

Strata Corporation NES 2947

Attention: Alan Grant

**RE: Reserve Fund Report
Forest Crowne Close
300 & 400 Forest Crowne Close
Kimberley BC
Strata Plan NES 2947**

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

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

The reader is referred to the copyright provisions contained on page one of the Executive Summary.

We appreciate the opportunity of providing this depreciation report. If you have any questions, please contact the undersigned.

Yours truly,
Reliance Asset Consulting Inc.



Daniel B. Jablonski, CRP



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EXECUTIVE SUMMARY

Strata Details:	Forest Crowne Close 300 & 400 Forest Crowne Close Kimberley BC
Strata Plan Number:	NES 2947
Property Description:	25 Units Bareland Single Home Complex
Report Date:	June 30, 2023
Inspection Date:	April 10, 2023
Effective Date:	June 30, 2023
Budget Year:	June 30, 2023

Reserve Fund Requirements:

Current Replacement Costs.....	\$ 258,400
Future Replacement Costs.....	\$ 537,369

Limiting Conditions & Assumptions

Certain assumptions were made as part of the analyses contained herein. These assumptions are contained in the Standard Limiting Conditions & Assumptions and elsewhere within the report.

Copyright Provisions

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



Assumptions:

The Stabilized Interest Rate for the study horizon was set at 3% per annum and a short-term interest rate of 2% was utilized for the first five years. The Stabilized Inflation Rate was set at 3.5% per annum.

Conclusions:

As of the beginning of this study's financial plan June 30, 2023, The Corporation is approximately 75% funded according to the current reserve fund requirements.

The goal of the recommended financial plan is to maintain an approximately 45% to over 100% funded position during the 30-year study horizon. At this level of funding the corporation should be able to adequately provide for all regularly expected expenditures for the next 30 years and additionally 40 years. The plan also provides a buffer for some pre-mature failures if they occur. The plan is designed to provide a fair and stabilized reserve contribution for future owners. If the recommended plan is followed, reserve contribution increases should be fairly stable and should remove the likelihood of special assessments. However, as pre-mature failures and unforeseen repairs do occur it is impossible to predict this with certainty. These conclusions are based on the provision that the interest rates and inflation rate assumptions remain reflective of the local economy, and regular maintenance is being completed.

Other plans have been provided as per the Strata Act's requirements. The additional plans achieve the minimum requirements of the Act, however, may not provide stability or fairness to future owners. Experience with older complexes that have followed non-proactive plans has inevitably required special levies or increased strata fees.

Note to Reader: The above percentage funding levels should not be confused with an accountant's definition of percentage funded. An accountant's determination of percentage funded is typically in relation to the figures prepared in the Horizon Projected Cash Flow. Where if the plan indicates in a prescribed year the balance should be \$100,000 as an example. An accountant's determination of the funding level is the deviance from this amount not a complete consideration of the all-component expenses.



STANDARD LIMITING CONDITIONS & ASSUMPTIONS

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

1. This report is prepared for the purpose of strata reserve fund planning, as outlined herein. No person other than the strata corporation (hereinafter referred to as “the client”) or a bona-fide purchaser of a strata unit in the complex may use or rely upon this report without first obtaining prior written authorization from Reliance Asset Consulting Inc. (hereinafter referred to as “Reliance”). Reliance and the authors of this report shall not assume any of the duties or liabilities of the owners and/or builders of the property. This report may contain other limiting conditions, qualifications, or assumptions, in addition to those set forth below, that pertain to the purpose of this report.
2. Reliance reserves the right, at its sole discretion, at any time to alter statements, analyses, conclusions, or any estimates contained herein if Reliance becomes aware of facts pertinent to the process which were unknown at the time the report was prepared. Certain assumptions were made throughout this report. No investigation, legal or otherwise, has been undertaken to verify these assumptions except as expressly noted herein.
3. Once any depreciation report or update is issued subsequent to the date of this report, whether it is issued by Reliance or by any other firm person or corporation, then this report shall become null and void. The onus is on the reader to determine if any there is any such depreciation report is in existence prior to relying upon this report.
4. The reserve estimates contained herein should be reviewed from time to time, particularly, in the context of repair experience and problem investigations, including the following: water damage, building envelope failures, structural problems, cracks in the walls and foundation, post tension construction concerns if applicable, waterproofing membranes, and environmental issues, etc.



5. Reserve fund estimates are subjective, and they are based on the writer's understanding of the life cycle of building components and experience gained from analyzing buildings. The level of maintenance for any component described herein may alter the estimated remaining life of that component. A detailed review should be made prior to considering a major repair or replacement. It must be appreciated that reserve fund budgeting and projections is not an exact science. They are, at best, prudent provisions for all possible contingencies, if, as, and when they arise. Industry costs of labour and materials are dependent on competition and supply and demand cycles. The cost projections are approximate using standardized costs as of the time of analysis. Reserve fund requirements are subject to change and must be reviewed and modified over time, not greater than every three years. In essence, the Corporation should adopt a long-term policy regarding reserve fund allocations. The policy must be flexible to accommodate changes in reserve fund requirements in the future.
6. In order to arrive at supportable replacement cost estimates, it was necessary to utilize both documented and other cost data. A concerted effort was put forth to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and it has been gathered to standard professional procedures. However, no guarantee as to the accuracy of the data is implied. In estimating various reserve items, certain assumptions are made with respect to structural repairs and replacements of improvements. For example, reserves for structural repairs, and replacements of certain mechanical and electrical components, are difficult to predict and/or quantify. Thus, the best approach is to provide contingencies that provide a range of cost estimates.
7. The distribution of cost and other estimates in this report applies only under the program of utilization as identified in this report. The estimates herein must not be used in conjunction with any other study and may be invalid if so used. Unless otherwise noted, all fees, costs, and cost estimates are expressed in Canadian dollars. The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated.
8. Within the strata complex certain components will require replacement during the study horizon. Except as expressly stated otherwise within this report, it is assumed that all such components will be replaced with components which are similar in terms of design, quality, workmanship and materials unless otherwise specified.
9. Unless otherwise stated in this report, the existence of hazardous materials, substances or gases, which may or may not be present within, on, or near the property, has been disregarded in the analysis. Reliance is not qualified to detect substances such as asbestos, mold, bacteria, fungi, volatile organic compounds (voc's), radon or other similar gases, urea-formaldehyde foam insulation, or other potentially hazardous or toxic materials and/or substances which may affect the property. The analyses in this report are based on the assumption that there are no such substances, materials and/or conditions. Reliance is not responsible for any such matters and/or the expertise required to discover them. The Client is urged to retain the appropriate experts for all such matters.



10. The architectural, structural, mechanical, electrical, and other plans and specifications of the building or buildings and improvements provided, are assumed to be correct. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted. No legal surveys; soil, air or water quality tests; building code reviews; technical audits; condition surveys, engineering investigations; environmental investigations; detailed quantity surveys; nor exhaustive physical examinations have been made. Therefore, no responsibility is assumed for such matters. No responsibility is assumed for any inherent, latent or hidden defects, damages or conditions of the property. The analysis herein assumes that the structural components within the building will last the physical life of the building unless specified herein. For that reason, replacement of such components was not accounted for within this report.
11. No investigation has been undertaken with the local zoning office, the fire department, the building inspectors, the health department, or any other municipal or government regulatory agencies. It is assumed that the subject property complies with all current government codes, regulations, bylaws and legislation. If the subject property does not comply in any respect, then the data, analyses and conclusions contained herein may require adjustment. To be certain of compliance, further investigations would be required by appropriately qualified experts. To determine if there is compliance is beyond the scope of this report.
12. The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the Land Titles Office. All such descriptions are assumed to be correct. For purposes of this report, the following conversion factors were used: 1 foot = 0.3048 meters; and 1 square meter = 10.7639 square feet.
13. This report is based on the assumption that the existing service providers for natural gas, electrical power, cable television and telephone will be responsible for the maintenance, repair and replacement of their respective infrastructures on the strata property. If the strata council engages other service providers who do not provide the same level of maintenance, repair and replacement as the existing service providers, then the data, analyses and conclusions contained herein may require adjustment.

SCOPE OF INVESTIGATION & ANALYSIS

The common areas for the buildings and the common areas for the site were inspected. Unless otherwise specifically stated in this report, the unit interiors were not inspected. Available plans and documents were examined for construction details and other relevant component data. For the purposes of the study, the data was calculated using dimensions and information taken from the plans that were available. In addition, some of the dimensions and information were obtained from the onsite inspection. Interviews were conducted with the strata council, and where applicable the property management company and site personnel.

The inspection process was based on the following:

- Only a visual sampling and a visual surface review of the complex were made.
- None of the components were dismantled and no invasive testing was conducted.
- The findings herein describe the general condition of the complex only.
- No technical audits or condition surveys were conducted. Technical audits and condition surveys are outside the scope of this reserve study.
- There was no access to the areas noted below. The data, analyses and conclusions contained in this report may require adjustment if and when access is provided to the following areas:
 - a. The interiors of the units except as noted otherwise in this report.

The plans, drawings and documents set forth below were available for examination. The data, analyses, and conclusions contained in this report may require adjustment if any of these plans, documents or drawings are amended or altered at a later date:

- The strata plan which was provided by the Land Titles Office.
- The strata bylaws for the property which were provided by the client.

In the case that plans are provided all relevant items are identified and measured electronically when possible, using digital imagery devices, scanning equipment or originally provided electronic copies. The documents are scaled and measured as accurately as possible, however minor skewing may occur and affect final results.

The plans, drawings and documents set forth below were made available for examination. The data, analyses, and conclusions contained in this report may require adjustment if any of the plans, documents or drawings set forth below are provided at a later date:

- No architectural drawings for the property were provided.

This report is subject to the following terms and conditions:

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



UNDERLYING ASSUMPTIONS

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

Interest & Inflation

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

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

Estimated Long Term Stabilized Inflation Rate:	3.50%
Estimated First Five-Year Interest Rate:	2.00%
Estimated Long Term Stabilized Interest Rate:	3.00%

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

Demolition and Disposal Costs

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



Goods and Services Tax

The Goods and Services Tax ("GST") is applicable in B.C. from April 1, 2013, and therefore applies to all repairs and replacements including disposal costs. This tax is included in the reserve fund estimates noted herein.

Engineering Reports and Other Studies

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

Repair and Replacement Cost Estimates

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

Property Management and Maintenance

The subject property is not managed by a professional property management company.

Special Assumptions and Terms of Reference

A) Special Assumptions

Based on instructions provided by the client, the following items were to be included in the reserve fund study: Asphalt Road, Landscape, Underground Utility Lines, Lamp Posts, Shared Garbage Enclosure



REPORT OVERVIEW

Introduction

The Province of British Columbia Strata Property Act, SBC 1998, (current to July 17, 2013), governs the conduct of strata corporations and sets forth the requirements under Part 6 (Finances) regarding the requirements for a reserve fund study. Under B.C. Strata Property Regulation Part 6 plus all amendments thereto, the definitions, qualifications, and procedures to be followed are set forth in Division 1, 91-98 of that Regulation.

The intent of the B.C. Strata Property Act regarding reserve funds is to provide sufficient funds that can be reasonably expected to provide for major repairs and replacement of any real and personal property and the common property owned by the Corporation, and the common property, where the repair and replacement is of a nature that does not normally occur annually. It is separate from the operating funds and should not be commingled.

This Depreciation Report was commissioned to carry out a financial analysis which provides a practical guide for long term budgeting and planning of future major repairs and replacements of building components and site improvements. It is meant to ensure that adequate funds are available when needed for anticipated expenditures and emergencies. The report was prepared on that basis.



SUBJECT PROPERTY INFORMATION

The property is described municipally and legally as follows:

**Forest Crowne Close
300 & 400 Forest Crowne Close
Kimberley BC
Strata Plan #NES 2947**

The subject property is located within the city of Kimberley in southeast British Columbia. Forest Crowne Close is a Bareland strata single home complex consisting of 25 units, all being residential, developed approximately in 2007. Site improvements include a common asphalt road, some landscape, lamp posts, and off-site garbage and recycling collection enclosure that is shared with two adjacent Stratas. The underground services include water, sewer and storm sewer systems that are tied to the city of Kimberley.



THE RESERVE FUND PROCESS

The reserve fund study process consists of the following:

- A) A Component Depreciation Analysis is prepared which shows where the contingency fund balances should be if the corporation is fully funded. The benchmark is created without regard to the current financial position of the corporation.
- B) A minimum of three Projected Cash Flows are prepared. These documents incorporate the data contained in the Benchmark Analysis above with the Historical Reserve Fund Cash Flow analysis discussed above. The cash flow documents will determine the reserve fund contributions to ensure that at a minimum there are no negative balances within the reserve fund over the study horizon.
- C) Recommendations to the strata council are provided. These recommendations can be used by the council to discuss and eventually adopt a contingency reserve fund plan for the strata corporation. These recommendations can also be used by the council to manage the contingency fund once a formal plan has been adopted.



COMPONENT & DEPRECIATION ANALYSIS

The Component Depreciation Analysis for the subject property which follows is based on a specific interest rate and inflation rate which are set forth in the Underlying Assumptions section of the report. The Component Depreciation analysis is based on the following process:

- A) All of the reserve components within the complex are identified and grouped into specific categories. Quantity take-offs are estimated for each of the components. Each component is analyzed to determine its estimated total life span, effective age, and remaining life. In making these cost estimates, several sources are relied upon including RS Means Repair and Remodeling Cost Data, Hanscombs' Yardsticks for Costing, and Marshall & Swift Valuation Service. These estimates are verified using information provided by local contractors and the cost database developed by Reliance.
- B) Each component is analyzed to determine its estimated total life span, effective age, and remaining life. For this purpose, depreciation tables and normal life span records are considered. Finally, the writer's own judgment and experience in estimating the current condition and remaining life spans of reserve components is relied upon. Where a component is a long-term item, only a proportionate share of the cost related to the 30-year horizon has been accounted for and is reflected in the cash flow as an ongoing requirement with periodic injections of cash to accommodate any future repairs or replacement.
- C) Future replacement reserves are estimated by applying a long-term inflationary rate to the current replacement cost reserve estimates.

The foregoing program represents a theoretical approach to reserve fund budget planning and management. When applied, as outlined above, the reserve fund will cover anticipated reserve fund expenditures for the life of the complex. In many cases due to the pooling of funds full funding should be the upper limit of funding levels. As the number of components increases the requirement to be 100% or fully funded decreases as the pool of funds increases. Each complex has varied requirements and an optimum percent funded range is determined for each individual complex.




Component Depreciation Analysis Forest Crowne Close - Bareland

June 20, 2023

Interest Rate (1st - 5 Years) : 2.00%

Interest Rate: 3.00%

Inflation Rate: 3.50%

 -Indicates Long Life (Allowanced) Component

Component

	Horizon Years *	Effective Age *	Remaining Life *	Current Replacement Cost *	Future Replacement Cost *	Current Reserve Requirement *	Future Reserve Fund Accumulation	Future Reserve Fund Requirements	Annual Assessment *
Professional Fees									
Depreciation Report	3	0	3	\$1,200	\$1,330	\$0	\$0	\$1,330	\$418
Site									
Asphalt Paving - Repairs	N/A	N/A	N/A	\$9,700	\$27,226	\$323	\$784	\$26,442	\$381
Exterior Lighting and Electrical Repairs	N/A	N/A	N/A	\$6,000	\$14,179	\$240	\$503	\$13,676	\$274
Garbage Enclosures	N/A	N/A	N/A	\$6,300	\$17,683	\$210	\$510	\$17,173	\$248
Landscaping and Drainage	N/A	N/A	N/A	\$12,900	\$36,208	\$930	\$1,044	\$35,164	\$507
Underground Services - Major Repairs	N/A	N/A	N/A	\$75,400	\$211,632	\$2,513	\$6,100	\$205,532	\$2,964
Asphalt Paving - Complete Lift	28	16	12	\$124,200	\$187,675	\$70,971	\$96,370	\$91,305	\$5,603
Exterior Lighting - Replacement	35	16	19	\$19,700	\$37,873	\$9,006	\$15,040	\$22,833	\$720
Underground Services - Scoping and Flushing	5	0	5	\$3,000	\$3,563	\$0	\$0	\$3,563	\$645
TOTALS: 100% FUNDED *				\$258,400	\$537,369	\$84,193	\$120,351	\$417,018	\$11,760
TOTALS: 75% FUNDED *				--	--	\$63,145	--	--	\$8,820
TOTALS: 50% FUNDED *				--	--	\$42,097	--	--	\$5,880

* See Glossary at the end for details.



Component Depreciation Analysis Summary

1) Current Replacement Costs of Reserve Components.....\$258,400

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

2) Future Replacement Costs of Reserve Components.....\$ 537,369

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

3) Current Reserve Fund Requirement.....\$ 84,193

Reserve Fund Requirements is the current amount of depreciation of all the components evaluated in this study. The amount is calculated by dividing the effective age by the horizon years of each component and multiplying by the current replacement cost. In the case of allowed components this is one year of depreciation. Without consideration of pooled funds this amount should be the amount that the current owners have offset with funds in the Corporation's reserve fund. However, as a corporation's number of components increases this requirement should decrease. This amount should be considered an upper limit of funding and not a goal to achieve.

4) Future Reserve Fund Accumulations.....\$ 120,351

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

5) Future Reserve Fund Requirements.....\$417,018

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

6) Annual Reserve Fund Assessments.....\$ 11,760

The Annual Assessment is the annual sum of all the depreciation occurring to each component evaluated in the study. The amount assumes interest will be accumulated on the amount and does not consider the pooling of funds. Once the pooling of funds is considered this amount becomes an upper limit of funding assuming the current balance of the fund does not have a significant deficiency. Maintaining an annual assessment that is somewhere between 75% - 100% of the amount above is typically required to maintain a fund. This assessment amount is utilized to calculate the ongoing depreciation and the deficiency in relation to the actual balances of the Corporation's reserve fund. Which results in a percent funded amount. A contribution amount for the next 30 years has to be balanced with the current and future position of the fund and may not be reflective of this amount.

Amounts for points 1 to 6 above are prepared without regard to the current financial position of the corporation or the current reserve fund contributions by the unit owners, and as such, they represent the depreciation, and accumulation of interest on said depreciation. These amounts should be considered upper limits of funding and are balanced with pooled funding to arrive at a practical funding level in the resulting cash flows that follow in this report.

All of the reserve components for the complex are discussed in detail on the following pages.



Reserve Component: Depreciation Report

Physical Description:	Reserve Fund Study
Items Included:	Reserve Fund Study
Observed Condition:	N/A
Typical Life Expectancy:	3
Estimated Effective Age:	0
Estimated Remaining Life:	3
Potential Deterioration:	N/A

Reserve Component: Asphalt Paving - Repairs

Physical Description:	Asphalt paving is a composite material it consists of asphalt (used as a binder) and mineral aggregate mixed, then laid down in layers and compacted typically over a gravel base.
Items Included:	Asphalt Paving Topping – Repairs
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Minor deterioration in high water traffic areas and of edges, otherwise no issues. Majority of this component has no issues. Local traffic only. Repairs are being completed on as a needed basis with crack sealing scheduled for 2023.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, freeze thaw cycles, chemical damage, and general wear.



Reserve Component: Exterior Lighting and Electrical Repairs

Physical Description:	Exterior lights provide illumination to common areas for owner and visitor safety.
Items Included:	Exterior Lighting and Electrical Repairs
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed apart from some fading of the finish which may require paint that will be completed through operating budget. LED lights were retrofit in 2020. Funding for this component includes any minor repairs and upgrades, fixture covers replacements within the 30 years horizon.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	General wear and tear, settlement, and water penetration.

Reserve Component: Garbage Enclosures

Physical Description:	Garbage enclosures are designed to create an aesthetic enclosure for garbage bins as well as providing security.
Items Included:	Garbage Enclosure Fencing
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Damaged boards were noted. Some improvements and reinforcements were completed to create bear resistant structure. Further adjustments are required. This component has a shared ownership.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from wear and tear.



Reserve Component: Landscaping and Drainage

Physical Description:	Landscaping includes site grading, lawns, trees, shrubs, and plants. This reserve provides for periodic replacement or removal of the above items.
Items Included:	General Landscaping
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Sections of common landscaping which is the utility right of way require mulch top up which is scheduled for 2024 for the cost of \$500.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A



Reserve Component: Underground Services - Major Repairs

Physical Description:

1. Sewer

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

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

2. Water

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

3. Electrical

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

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

Fire hydrants provide water for emergency services. The hydrants should be periodically inspected and serviced as required.

Items Included:

Underground Services, Hydrants

Type of Component:

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



Observed Condition:	No issues were reported. This component includes funding for major repairs including excavation on an as needed basis. Typically, this component can fail in older complexes and can be costly to replace or repair main lines.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from settlement and freeze thaw cycles.

Reserve Component: Asphalt Paving - Complete Lift

Physical Description:	Asphalt paving is a composite material it consists of asphalt (used as a binder) and mineral aggregate mixed, then laid down in layers and compacted typically over a gravel base.
Items Included:	Asphalt Paving Topping - Complete Lift
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Minor deterioration in high water traffic areas and of edges, otherwise no issues. Majority of this component has no issues. Local traffic only.
Typical Life Expectancy:	28
Estimated Effective Age:	16
Estimated Remaining Life:	12
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, freeze thaw cycles, chemical damage, and general wear.



Reserve Component: Exterior Lighting - Replacement

Physical Description:	Exterior lights provide illumination to common areas for owner and visitor safety.
Items Included:	Exterior Lighting Posts – Replacement
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed apart from some fading of the finish which may require paint that will be completed through operating budget. Funding for this component includes future lamp post replacement.
Typical Life Expectancy:	35
Estimated Effective Age:	16
Estimated Remaining Life:	19
Potential Deterioration:	General wear and tear, settlement, and water penetration.

Reserve Component: Underground Services - Scoping and Flushing

Physical Description:	1. Sewer It is assumed that the storm and sanitary lines will be flushed and inspected, with scopes and/or cameras, on a regular periodic basis. The flushing and inspection of the lines should be done approximately every five years.
Items Included:	Underground Service Scoping & Testing
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported. Street storm and sewer lines hydrovac clean out is scheduled in 2023.
Typical Life Expectancy:	5
Estimated Effective Age:	0
Estimated Remaining Life:	5
Potential Deterioration:	Deterioration can occur from settlement and freeze thaw cycles.



CASH FLOW PROJECTIONS

These documents project the estimated expenditures from the contingency reserve fund for the complex over a specified time horizon and also recommend a contribution and funding plan for the next 30 years. This document shows the Opening Balances, Total Cash Resources, Total Expenditures, Closing Balances, and the Percentage Funded in a form and detail which conforms to financial presentations for reserve fund operations. The above noted terms are defined as follows:

Opening Balances

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

Cash Flows

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

Total Cash Resources

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

Total Expenditures

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

Closing Balances

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



Percent Funded

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

Percent funding levels are shown to help the corporation gauge their current position in regard to all of their common component expenses. 100% funding if achieved would be the upper limit of funding recommended, this level of funding provides for a fair funding model for current and future owners. If properly updated a 100% funding model should adequately fund the components listed for the life of the corporation. Higher funding levels like 100% funding may not always be practical to achieve and are typically reached near or after the 30-year funding horizon. Lower percent funding levels may be utilized that will sufficiently fund the plan. These models may result in increases to the reserve fund contributions and increase the chances of special assessments as the project ages. Depending on the nature of the complex a lower percent funding model may provide for adequate funding where most common expenses do not occur in a short span of time. The provided cash flows will more accurately reflect each individual complex's requirements.



CASH FLOW MODEL – 10 YEAR NORMALIZATION



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Forest Crowne Close - Bareland-NES 2947
30 Years - 10 Year Normalization - Reserve Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Jul-23	\$63,515	\$6,102	\$0	\$1,270	\$0	\$70,887	30-Jun-24
2	01-Jul-24	\$70,887	\$6,900	\$0	\$1,418	\$1,850	\$77,355	30-Jun-25
3	01-Jul-25	\$77,355	\$7,800	\$0	\$1,547	\$1,330	\$85,372	30-Jun-26
4	01-Jul-26	\$85,372	\$8,700	\$0	\$1,707	\$0	\$95,779	30-Jun-27
5	01-Jul-27	\$95,779	\$10,000	\$0	\$1,916	\$6,113	\$101,582	30-Jun-28
6	01-Jul-28	\$101,582	\$11,500	\$0	\$3,047	\$1,475	\$114,654	30-Jun-29
7	01-Jul-29	\$114,654	\$13,000	\$0	\$3,440	\$4,350	\$126,744	30-Jun-30
8	01-Jul-30	\$126,744	\$14,600	\$0	\$3,802	\$1,650	\$143,496	30-Jun-31
9	01-Jul-31	\$143,496	\$16,200	\$0	\$4,305	\$1,635	\$162,366	30-Jun-32
10	01-Jul-32	\$162,366	\$17,800	\$0	\$4,871	\$7,282	\$177,755	30-Jun-33
11	01-Jul-33	\$177,755	\$19,400	\$0	\$5,333	\$0	\$202,488	30-Jun-34
12	01-Jul-34	\$202,488	\$20,000	\$0	\$6,075	\$189,488	\$39,075	30-Jun-35
13	01-Jul-35	\$39,075	\$20,600	\$0	\$1,172	\$2,350	\$58,497	30-Jun-36
14	01-Jul-36	\$58,497	\$21,200	\$0	\$1,755	\$2,050	\$79,402	30-Jun-37
15	01-Jul-37	\$79,402	\$21,800	\$0	\$2,382	\$10,636	\$92,948	30-Jun-38
16	01-Jul-38	\$92,948	\$22,500	\$0	\$2,788	\$0	\$118,236	30-Jun-39
17	01-Jul-39	\$118,236	\$23,200	\$0	\$3,547	\$8,850	\$136,133	30-Jun-40
18	01-Jul-40	\$136,133	\$23,900	\$0	\$4,084	\$11,379	\$152,738	30-Jun-41
19	01-Jul-41	\$152,738	\$24,600	\$0	\$4,582	\$16,118	\$165,802	30-Jun-42
20	01-Jul-42	\$165,802	\$25,300	\$0	\$4,974	\$22,569	\$173,507	30-Jun-43
21	01-Jul-43	\$173,507	\$26,100	\$0	\$5,205	\$2,471	\$202,341	30-Jun-44
22	01-Jul-44	\$202,341	\$26,900	\$0	\$6,070	\$0	\$235,311	30-Jun-45
23	01-Jul-45	\$235,311	\$27,700	\$0	\$7,059	\$0	\$270,070	30-Jun-46
24	01-Jul-46	\$270,070	\$28,500	\$0	\$8,102	\$2,740	\$303,932	30-Jun-47
25	01-Jul-47	\$303,932	\$29,400	\$0	\$9,118	\$20,340	\$322,110	30-Jun-48
26	01-Jul-48	\$322,110	\$30,300	\$0	\$9,663	\$3,100	\$358,973	30-Jun-49
27	01-Jul-49	\$358,973	\$31,200	\$0	\$10,769	\$3,038	\$397,904	30-Jun-50
28	01-Jul-50	\$397,904	\$32,100	\$0	\$11,937	\$98,800	\$343,141	30-Jun-51
29	01-Jul-51	\$343,141	\$33,100	\$0	\$10,294	\$102,250	\$284,285	30-Jun-52
30	01-Jul-52	\$284,285	\$34,100	\$0	\$8,529	\$17,838	\$309,076	30-Jun-53

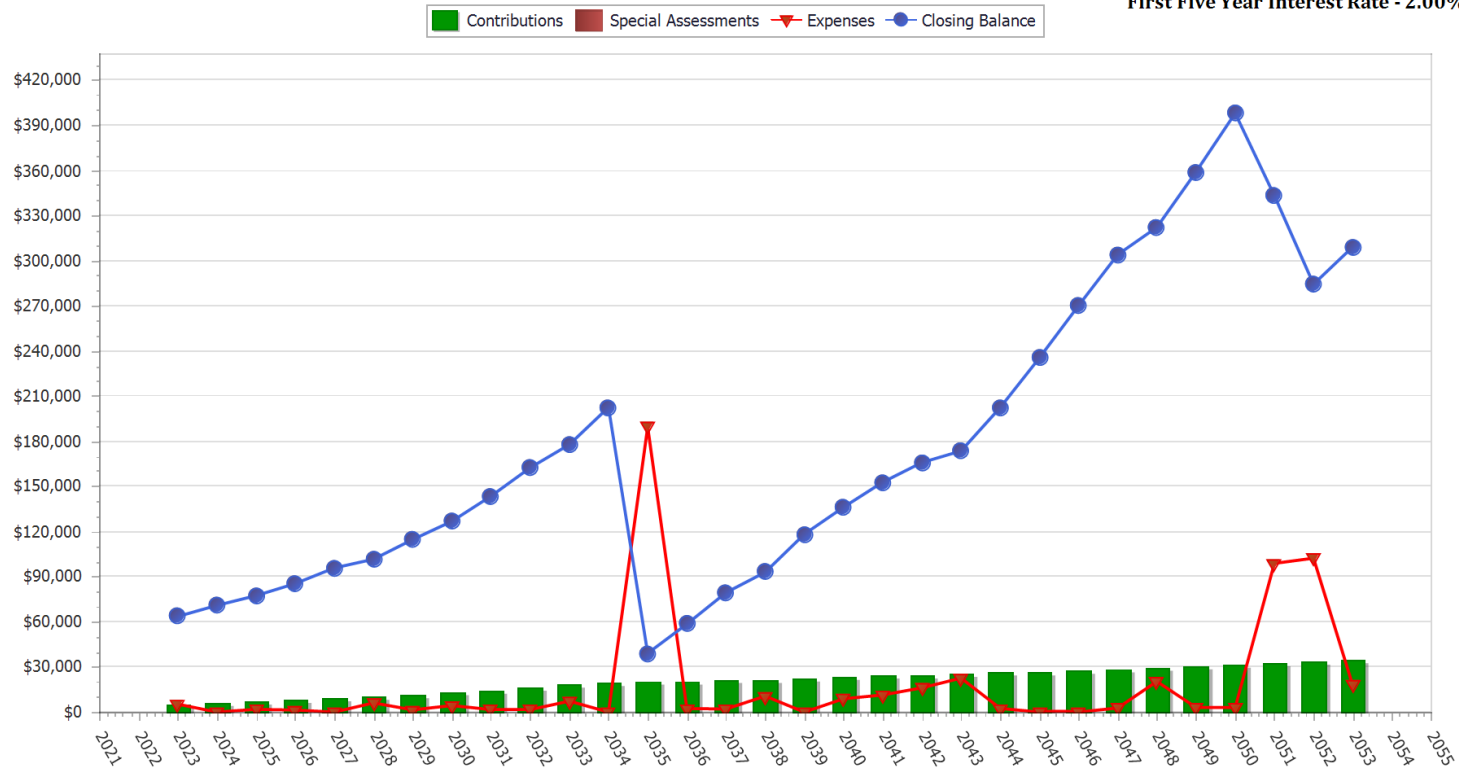


**Funding Horizon Chart - Model 30 Years - 10 Year
Normalization Final
Forest Crowne Close - Bareland - NES 2947**

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 12 :\$39,075

Total Cash Outlay: \$634,502

Total Expenditures: \$539,702



**Projected Cash Flow - Model 30 Years - 10 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2022-07-01	2023-07-01	2024-07-01	2025-07-01	2026-07-01	2027-07-01	2028-07-01	2029-07-01	2030-07-01	2031-07-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$63,433	\$63,515	\$70,887	\$77,355	\$85,372	\$95,779	\$101,582	\$114,654	\$126,744	\$143,496
Planned Contributions	\$5,260	\$6,102	\$6,900	\$7,800	\$8,700	\$10,000	\$11,500	\$13,000	\$14,600	\$16,200
Additional Allocations										
Interest Income	\$97	\$1,270	\$1,418	\$1,547	\$1,707	\$1,916	\$3,047	\$3,440	\$3,802	\$4,305
Special Assessments		\$0								
Cash Resources	\$68,790	\$70,887	\$79,205	\$86,702	\$95,779	\$107,695	\$116,129	\$131,094	\$145,146	\$164,001
Reserve Components										
Depreciation Report	\$1,260			\$1,330			\$1,475			\$1,635
Asphalt Paving - Repairs	\$2,192							\$2,450		
Exterior Lighting and Electrical Repairs								\$1,900		
Garbage Enclosures			\$1,350						\$1,650	
Landscaping and Drainage			\$500			\$2,550				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift										
Exterior Lighting - Replacement										
Underground Services - Scoping and Flushing	\$1,823					\$3,563				
Total Expenses	\$5,275	\$0	\$1,850	\$1,330	\$0	\$6,113	\$1,475	\$4,350	\$1,650	\$1,635
Closing Balance	\$63,515	\$70,887	\$77,355	\$85,372	\$95,779	\$101,582	\$114,654	\$126,744	\$143,496	\$162,366
Planned Contributions	\$5,260	\$6,102	\$6,900	\$7,800	\$8,700	\$10,000	\$11,500	\$13,000	\$14,600	\$16,200
Contribution Increase	\$5,260	\$842	\$798	\$900	\$900	\$1,300	\$1,500	\$1,500	\$1,600	\$1,600
Year End	2023-06-30	2024-06-30	2025-06-30	2026-06-30	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	2032-06-30



**Projected Cash Flow - Model 30 Years - 10 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2032-07-01	2033-07-01	2034-07-01	2035-07-01	2036-07-01	2037-07-01	2038-07-01	2039-07-01	2040-07-01	2041-07-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$162,366	\$177,755	\$202,488	\$39,075	\$58,497	\$79,402	\$92,948	\$118,236	\$136,133	\$152,738
Planned Contributions	\$17,800	\$19,400	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500	\$23,200	\$23,900	\$24,600
Additional Allocations										
Interest Income	\$4,871	\$5,333	\$6,075	\$1,172	\$1,755	\$2,382	\$2,788	\$3,547	\$4,084	\$4,582
Special Assessments										
Cash Resources	\$185,037	\$202,488	\$228,563	\$60,847	\$81,452	\$103,584	\$118,236	\$144,983	\$164,117	\$181,920
Reserve Components										
Depreciation Report			\$1,813			\$2,010			\$2,229	
Asphalt Paving - Repairs										\$3,750
Exterior Lighting and Electrical Repairs				\$2,350						\$2,900
Garbage Enclosures					\$2,050					
Landscaping and Drainage	\$3,050					\$3,600				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift			\$187,675							
Exterior Lighting - Replacement								\$8,850	\$9,150	\$9,468
Underground Services - Scoping and Flushing	\$4,232					\$5,026				
Total Expenses	\$7,282	\$0	\$189,488	\$2,350	\$2,050	\$10,636	\$0	\$8,850	\$11,379	\$16,118
Closing Balance	\$177,755	\$202,488	\$39,075	\$58,497	\$79,402	\$92,948	\$118,236	\$136,133	\$152,738	\$165,802
Planned Contributions	\$17,800	\$19,400	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500	\$23,200	\$23,900	\$24,600
Contribution Increase	\$1,600	\$1,600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700
Year End	2033-06-30	2034-06-30	2035-06-30	2036-06-30	2037-06-30	2038-06-30	2039-06-30	2040-06-30	2041-06-30	2042-06-30



**Projected Cash Flow - Model 30 Years - 10 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2042-07-01	2043-07-01	2044-07-01	2045-07-01	2046-07-01	2047-07-01	2048-07-01	2049-07-01	2050-07-01	2051-07-01	2052-07-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$165,802	\$173,507	\$202,341	\$235,311	\$270,070	\$303,932	\$322,110	\$358,973	\$397,904	\$343,141	\$284,285
Planned Contributions	\$25,300	\$26,100	\$26,900	\$27,700	\$28,500	\$29,400	\$30,300	\$31,200	\$32,100	\$33,100	\$34,100
Additional Allocations											
Interest Income	\$4,974	\$5,205	\$6,070	\$7,059	\$8,102	\$9,118	\$9,663	\$10,769	\$11,937	\$10,294	\$8,529
Special Assessments											
Cash Resources	\$196,076	\$204,812	\$235,311	\$270,070	\$306,672	\$342,450	\$362,073	\$400,942	\$441,941	\$386,535	\$326,914
Reserve Components											
Depreciation Report		\$2,471			\$2,740			\$3,038			\$3,368
Asphalt Paving - Repairs						\$4,600					
Exterior Lighting and Electrical Repairs						\$3,550					
Garbage Enclosures	\$2,500						\$3,100				
Landscaping and Drainage	\$4,300					\$5,100					\$6,050
Underground Services - Major Repairs								\$98,800	\$102,250		
Asphalt Paving - Complete Lift											
Exterior Lighting - Replacement	\$9,800										
Underground Services - Scoping and Flushing	\$5,969					\$7,090					\$8,420
Total Expenses	\$22,569	\$2,471	\$0	\$0	\$2,740	\$20,340	\$3,100	\$3,038	\$98,800	\$102,250	\$17,838
Closing Balance	\$173,507	\$202,341	\$235,311	\$270,070	\$303,932	\$322,110	\$358,973	\$397,904	\$343,141	\$284,285	\$309,076
Planned Contributions	\$25,300	\$26,100	\$26,900	\$27,700	\$28,500	\$29,400	\$30,300	\$31,200	\$32,100	\$33,100	\$34,100
Contribution Increase	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900	\$900	\$1,000	\$1,000
Year End	2043-06-30	2044-06-30	2045-06-30	2046-06-30	2047-06-30	2048-06-30	2049-06-30	2050-06-30	2051-06-30	2052-06-30	2053-06-30



CASH FLOW MODEL – 5 YEAR NORMALIZATION



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Forest Crowne Close - Bareland-NES 2947
30 Years - 5 Year Normalization - Reserve Fund Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Jul-23	\$63,515	\$6,312	\$0	\$1,270	\$0	\$71,097	30-Jun-24
2	01-Jul-24	\$71,097	\$7,400	\$0	\$1,422	\$1,850	\$78,069	30-Jun-25
3	01-Jul-25	\$78,069	\$8,600	\$0	\$1,561	\$1,330	\$86,900	30-Jun-26
4	01-Jul-26	\$86,900	\$9,800	\$0	\$1,738	\$0	\$98,438	30-Jun-27
5	01-Jul-27	\$98,438	\$11,000	\$0	\$1,969	\$6,113	\$105,294	30-Jun-28
6	01-Jul-28	\$105,294	\$11,900	\$0	\$3,159	\$1,475	\$118,878	30-Jun-29
7	01-Jul-29	\$118,878	\$12,900	\$0	\$3,566	\$4,350	\$130,994	30-Jun-30
8	01-Jul-30	\$130,994	\$13,900	\$0	\$3,930	\$1,650	\$147,174	30-Jun-31
9	01-Jul-31	\$147,174	\$14,300	\$0	\$4,415	\$1,635	\$164,254	30-Jun-32
10	01-Jul-32	\$164,254	\$14,700	\$0	\$4,928	\$7,282	\$176,600	30-Jun-33
11	01-Jul-33	\$176,600	\$15,100	\$0	\$5,298	\$0	\$196,998	30-Jun-34
12	01-Jul-34	\$196,998	\$15,600	\$0	\$5,910	\$189,488	\$29,020	30-Jun-35
13	01-Jul-35	\$29,020	\$16,100	\$0	\$871	\$2,350	\$43,641	30-Jun-36
14	01-Jul-36	\$43,641	\$16,600	\$0	\$1,309	\$2,050	\$59,500	30-Jun-37
15	01-Jul-37	\$59,500	\$17,100	\$0	\$1,785	\$10,636	\$67,749	30-Jun-38
16	01-Jul-38	\$67,749	\$17,600	\$0	\$2,032	\$0	\$87,381	30-Jun-39
17	01-Jul-39	\$87,381	\$18,100	\$0	\$2,621	\$8,850	\$99,252	30-Jun-40
18	01-Jul-40	\$99,252	\$18,600	\$0	\$2,978	\$11,379	\$109,451	30-Jun-41
19	01-Jul-41	\$109,451	\$19,200	\$0	\$3,284	\$16,118	\$115,817	30-Jun-42
20	01-Jul-42	\$115,817	\$19,800	\$0	\$3,475	\$22,569	\$116,523	30-Jun-43
21	01-Jul-43	\$116,523	\$20,400	\$0	\$3,496	\$2,471	\$137,948	30-Jun-44
22	01-Jul-44	\$137,948	\$21,000	\$0	\$4,138	\$0	\$163,086	30-Jun-45
23	01-Jul-45	\$163,086	\$21,600	\$0	\$4,893	\$0	\$189,579	30-Jun-46
24	01-Jul-46	\$189,579	\$22,200	\$0	\$5,687	\$2,740	\$214,726	30-Jun-47
25	01-Jul-47	\$214,726	\$22,900	\$0	\$6,442	\$20,340	\$223,728	30-Jun-48
26	01-Jul-48	\$223,728	\$23,600	\$0	\$6,712	\$3,100	\$250,940	30-Jun-49
27	01-Jul-49	\$250,940	\$24,300	\$0	\$7,528	\$3,038	\$279,730	30-Jun-50
28	01-Jul-50	\$279,730	\$25,000	\$0	\$8,392	\$98,800	\$214,322	30-Jun-51
29	01-Jul-51	\$214,322	\$25,800	\$0	\$6,430	\$102,250	\$144,302	30-Jun-52
30	01-Jul-52	\$144,302	\$26,600	\$0	\$4,329	\$17,838	\$157,393	30-Jun-53

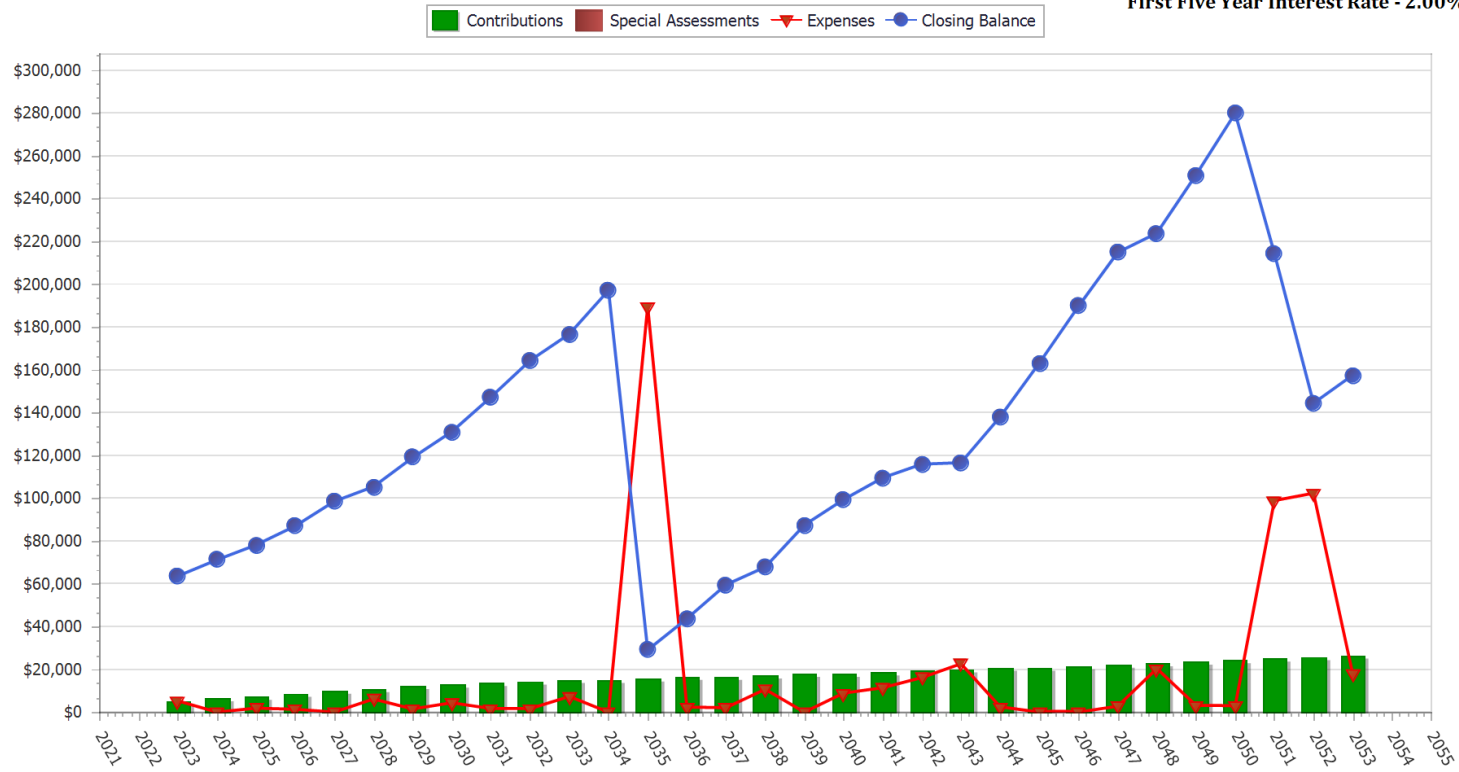


**Funding Horizon Chart - Model 30 Years - 5 Year
Normalization Final
Forest Crowne Close - Bareland - NES 2947**

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 12 :\$29,020

Total Cash Outlay: \$518,012

Total Expenditures: \$539,702



**Projected Cash Flow - Model 30 Years - 5 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2022-07-01	2023-07-01	2024-07-01	2025-07-01	2026-07-01	2027-07-01	2028-07-01	2029-07-01	2030-07-01	2031-07-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$63,433	\$63,515	\$71,097	\$78,069	\$86,900	\$98,438	\$105,294	\$118,878	\$130,994	\$147,174
Planned Contributions	\$5,260	\$6,312	\$7,400	\$8,600	\$9,800	\$11,000	\$11,900	\$12,900	\$13,900	\$14,300
Additional Allocations										
Interest Income	\$97	\$1,270	\$1,422	\$1,561	\$1,738	\$1,969	\$3,159	\$3,566	\$3,930	\$4,415
Special Assessments		\$0								
Cash Resources	\$68,790	\$71,097	\$79,919	\$88,230	\$98,438	\$111,407	\$120,353	\$135,344	\$148,824	\$165,889
Reserve Components										
Depreciation Report	\$1,260			\$1,330			\$1,475			\$1,635
Asphalt Paving - Repairs	\$2,192							\$2,450		
Exterior Lighting and Electrical Repairs								\$1,900		
Garbage Enclosures			\$1,350						\$1,650	
Landscaping and Drainage			\$500			\$2,550				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift										
Exterior Lighting - Replacement										
Underground Services - Scoping and Flushing	\$1,823					\$3,563				
Total Expenses	\$5,275	\$0	\$1,850	\$1,330	\$0	\$6,113	\$1,475	\$4,350	\$1,650	\$1,635
Closing Balance	\$63,515	\$71,097	\$78,069	\$86,900	\$98,438	\$105,294	\$118,878	\$130,994	\$147,174	\$164,254
Planned Contributions	\$5,260	\$6,312	\$7,400	\$8,600	\$9,800	\$11,000	\$11,900	\$12,900	\$13,900	\$14,300
Contribution Increase	\$5,260	\$1,052	\$1,088	\$1,200	\$1,200	\$1,200	\$900	\$1,000	\$1,000	\$400
Year End	2023-06-30	2024-06-30	2025-06-30	2026-06-30	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	2032-06-30



**Projected Cash Flow - Model 30 Years - 5 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2032-07-01	2033-07-01	2034-07-01	2035-07-01	2036-07-01	2037-07-01	2038-07-01	2039-07-01	2040-07-01	2041-07-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$164,254	\$176,600	\$196,998	\$29,020	\$43,641	\$59,500	\$67,749	\$87,381	\$99,252	\$109,451
Planned Contributions	\$14,700	\$15,100	\$15,600	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100	\$18,600	\$19,200
Additional Allocations										
Interest Income	\$4,928	\$5,298	\$5,910	\$871	\$1,309	\$1,785	\$2,032	\$2,621	\$2,978	\$3,284
Special Assessments										
Cash Resources	\$183,882	\$196,998	\$218,508	\$45,991	\$61,550	\$78,385	\$87,381	\$108,102	\$120,830	\$131,935
Reserve Components										
Depreciation Report			\$1,813			\$2,010			\$2,229	
Asphalt Paving - Repairs										\$3,750
Exterior Lighting and Electrical Repairs				\$2,350						\$2,900
Garbage Enclosures					\$2,050					
Landscaping and Drainage	\$3,050					\$3,600				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift			\$187,675							
Exterior Lighting - Replacement								\$8,850	\$9,150	\$9,468
Underground Services - Scoping and Flushing	\$4,232					\$5,026				
Total Expenses	\$7,282	\$0	\$189,488	\$2,350	\$2,050	\$10,636	\$0	\$8,850	\$11,379	\$16,118
Closing Balance	\$176,600	\$196,998	\$29,020	\$43,641	\$59,500	\$67,749	\$87,381	\$99,252	\$109,451	\$115,817
Planned Contributions	\$14,700	\$15,100	\$15,600	\$16,100	\$16,600	\$17,100	\$17,600	\$18,100	\$18,600	\$19,200
Contribution Increase	\$400	\$400	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$600
Year End	2033-06-30	2034-06-30	2035-06-30	2036-06-30	2037-06-30	2038-06-30	2039-06-30	2040-06-30	2041-06-30	2042-06-30



**Projected Cash Flow - Model 30 Years - 5 Year Normalization
Final
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2042-07-01	2043-07-01	2044-07-01	2045-07-01	2046-07-01	2047-07-01	2048-07-01	2049-07-01	2050-07-01	2051-07-01	2052-07-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$115,817	\$116,523	\$137,948	\$163,086	\$189,579	\$214,726	\$223,728	\$250,940	\$279,730	\$214,322	\$144,302
Planned Contributions	\$19,800	\$20,400	\$21,000	\$21,600	\$22,200	\$22,900	\$23,600	\$24,300	\$25,000	\$25,800	\$26,600
Additional Allocations											
Interest Income	\$3,475	\$3,496	\$4,138	\$4,893	\$5,687	\$6,442	\$6,712	\$7,528	\$8,392	\$6,430	\$4,329
Special Assessments											
Cash Resources	\$139,092	\$140,419	\$163,086	\$189,579	\$217,466	\$244,068	\$254,040	\$282,768	\$313,122	\$246,552	\$175,231
Reserve Components											
Depreciation Report		\$2,471			\$2,740			\$3,038			\$3,368
Asphalt Paving - Repairs						\$4,600					
Exterior Lighting and Electrical Repairs						\$3,550					
Garbage Enclosures	\$2,500						\$3,100				
Landscaping and Drainage	\$4,300					\$5,100					\$6,050
Underground Services - Major Repairs									\$98,800	\$102,250	
Asphalt Paving - Complete Lift											
Exterior Lighting - Replacement	\$9,800										
Underground Services - Scoping and Flushing	\$5,969					\$7,090					\$8,420
Total Expenses	\$22,569	\$2,471	\$0	\$0	\$2,740	\$20,340	\$3,100	\$3,038	\$98,800	\$102,250	\$17,838
Closing Balance	\$116,523	\$137,948	\$163,086	\$189,579	\$214,726	\$223,728	\$250,940	\$279,730	\$214,322	\$144,302	\$157,393
Planned Contributions	\$19,800	\$20,400	\$21,000	\$21,600	\$22,200	\$22,900	\$23,600	\$24,300	\$25,000	\$25,800	\$26,600
Contribution Increase	\$600	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$800	\$800
Year End	2043-06-30	2044-06-30	2045-06-30	2046-06-30	2047-06-30	2048-06-30	2049-06-30	2050-06-30	2051-06-30	2052-06-30	2053-06-30



CASH FLOW MODEL – 15 YEAR NORMALIZATION WITH LEVIES



Short Term Interest Rate (Years 1-5): **2.00%**
Long Term Interest Rate: **3.00%**
Inflation Rate: **3.50%**

Forest Crowne Close - Bareland-NES 2947
30 Years - 15 Year Normalization with Special Levies - Reserve Fund
Horizon Schedule

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Jul-23	\$63,515	\$5,523	\$0	\$1,270	\$0	\$70,308	30-Jun-24
2	01-Jul-24	\$70,308	\$5,800	\$0	\$1,406	\$1,850	\$75,664	30-Jun-25
3	01-Jul-25	\$75,664	\$6,100	\$0	\$1,513	\$1,330	\$81,947	30-Jun-26
4	01-Jul-26	\$81,947	\$6,400	\$0	\$1,639	\$0	\$89,986	30-Jun-27
5	01-Jul-27	\$89,986	\$6,700	\$0	\$1,800	\$6,113	\$92,373	30-Jun-28
6	01-Jul-28	\$92,373	\$7,000	\$0	\$2,771	\$1,475	\$100,669	30-Jun-29
7	01-Jul-29	\$100,669	\$7,400	\$0	\$3,020	\$4,350	\$106,739	30-Jun-30
8	01-Jul-30	\$106,739	\$7,800	\$0	\$3,202	\$1,650	\$116,091	30-Jun-31
9	01-Jul-31	\$116,091	\$8,200	\$0	\$3,483	\$1,635	\$126,139	30-Jun-32
10	01-Jul-32	\$126,139	\$8,600	\$25,000	\$3,784	\$7,282	\$156,241	30-Jun-33
11	01-Jul-33	\$156,241	\$9,000	\$45,000	\$4,687	\$0	\$214,928	30-Jun-34
12	01-Jul-34	\$214,928	\$9,400	\$0	\$6,448	\$189,488	\$41,288	30-Jun-35
13	01-Jul-35	\$41,288	\$9,900	\$0	\$1,239	\$2,350	\$50,077	30-Jun-36
14	01-Jul-36	\$50,077	\$10,400	\$0	\$1,502	\$2,050	\$59,929	30-Jun-37
15	01-Jul-37	\$59,929	\$10,900	\$0	\$1,798	\$10,636	\$61,991	30-Jun-38
16	01-Jul-38	\$61,991	\$11,200	\$0	\$1,860	\$0	\$75,051	30-Jun-39
17	01-Jul-39	\$75,051	\$11,500	\$0	\$2,252	\$8,850	\$79,953	30-Jun-40
18	01-Jul-40	\$79,953	\$11,800	\$0	\$2,399	\$11,379	\$82,773	30-Jun-41
19	01-Jul-41	\$82,773	\$12,200	\$0	\$2,483	\$16,118	\$81,338	30-Jun-42
20	01-Jul-42	\$81,338	\$12,600	\$0	\$2,440	\$22,569	\$73,809	30-Jun-43
21	01-Jul-43	\$73,809	\$13,000	\$0	\$2,214	\$2,471	\$86,552	30-Jun-44
22	01-Jul-44	\$86,552	\$13,400	\$0	\$2,597	\$0	\$102,549	30-Jun-45
23	01-Jul-45	\$102,549	\$13,800	\$0	\$3,076	\$0	\$119,425	30-Jun-46
24	01-Jul-46	\$119,425	\$14,200	\$0	\$3,583	\$2,740	\$134,468	30-Jun-47
25	01-Jul-47	\$134,468	\$14,600	\$0	\$4,034	\$20,340	\$132,762	30-Jun-48
26	01-Jul-48	\$132,762	\$15,000	\$0	\$3,983	\$3,100	\$148,645	30-Jun-49
27	01-Jul-49	\$148,645	\$15,400	\$0	\$4,459	\$3,038	\$165,466	30-Jun-50
28	01-Jul-50	\$165,466	\$15,900	\$0	\$4,964	\$98,800	\$87,530	30-Jun-51
29	01-Jul-51	\$87,530	\$16,400	\$0	\$2,626	\$102,250	\$4,306	30-Jun-52
30	01-Jul-52	\$4,306	\$16,900	\$0	\$129	\$17,838	\$3,497	30-Jun-53

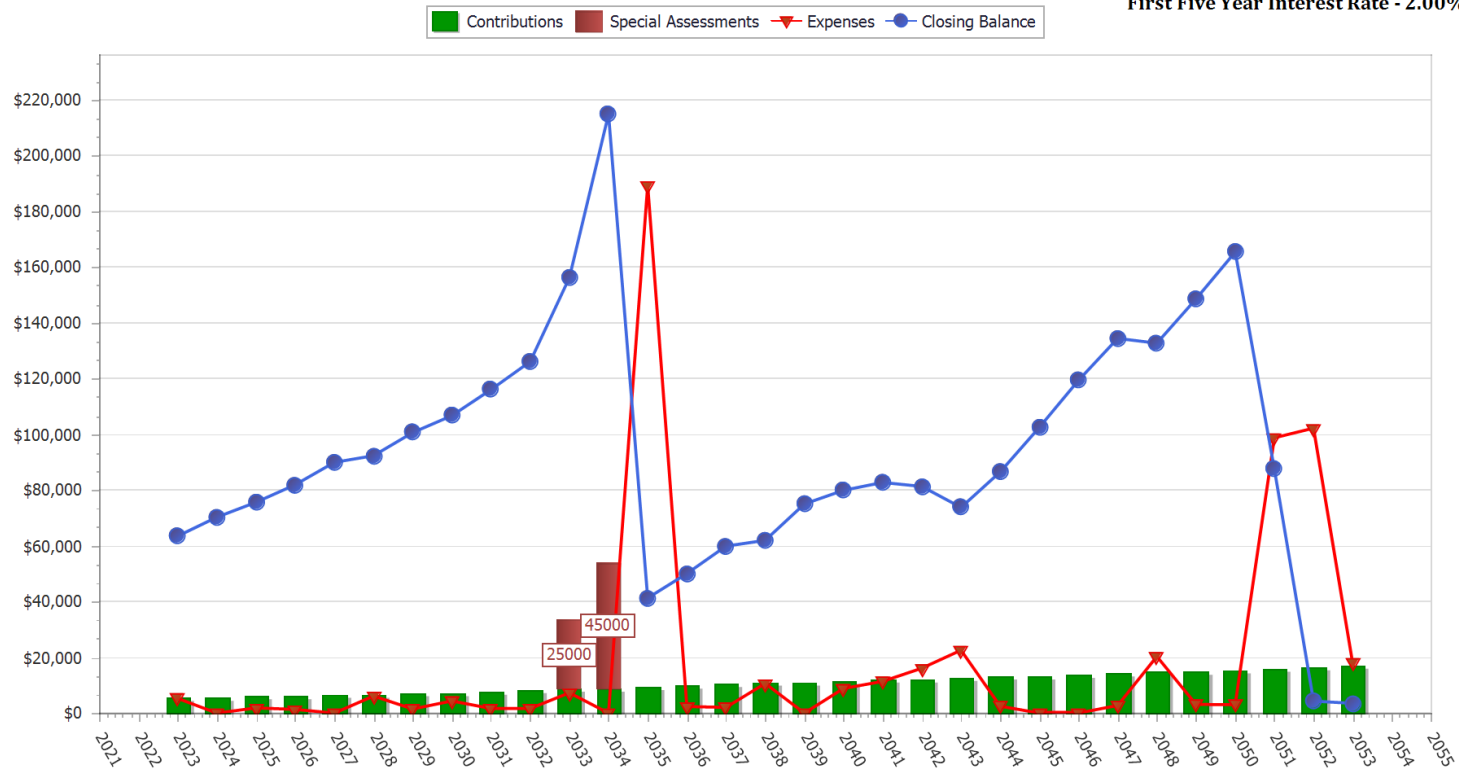


**Funding Horizon Chart - Model 30 Years - 15 Year
Normalization with Special Levies
Forest Crowne Close - Bareland - NES 2947**

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 30 :\$3,497

Total Cash Outlay: \$397,023

Total Expenditures: \$539,702

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**Projected Cash Flow - Model 30 Years - 15 Year Normalization
with Special Levies
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2022-07-01	2023-07-01	2024-07-01	2025-07-01	2026-07-01	2027-07-01	2028-07-01	2029-07-01	2030-07-01	2031-07-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$63,433	\$63,515	\$70,308	\$75,664	\$81,947	\$89,986	\$92,373	\$100,669	\$106,739	\$116,091
Planned Contributions	\$5,260	\$5,523	\$5,800	\$6,100	\$6,400	\$6,700	\$7,000	\$7,400	\$7,800	\$8,200
Additional Allocations										
Interest Income	\$97	\$1,270	\$1,406	\$1,513	\$1,639	\$1,800	\$2,771	\$3,020	\$3,202	\$3,483
Special Assessments		\$0								
Cash Resources	\$68,790	\$70,308	\$77,514	\$83,277	\$89,986	\$98,486	\$102,144	\$111,089	\$117,741	\$127,774
Reserve Components										
Depreciation Report	\$1,260			\$1,330			\$1,475			\$1,635
Asphalt Paving - Repairs	\$2,192							\$2,450		
Exterior Lighting and Electrical Repairs								\$1,900		
Garbage Enclosures			\$1,350						\$1,650	
Landscaping and Drainage			\$500			\$2,550				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift										
Exterior Lighting - Replacement										
Underground Services - Scoping and Flushing	\$1,823					\$3,563				
Total Expenses	\$5,275	\$0	\$1,850	\$1,330	\$0	\$6,113	\$1,475	\$4,350	\$1,650	\$1,635
Closing Balance	\$63,515	\$70,308	\$75,664	\$81,947	\$89,986	\$92,373	\$100,669	\$106,739	\$116,091	\$126,139
Planned Contributions	\$5,260	\$5,523	\$5,800	\$6,100	\$6,400	\$6,700	\$7,000	\$7,400	\$7,800	\$8,200
Prev Year Contributions		\$5,260	\$5,523	\$5,800	\$6,100	\$6,400	\$6,700	\$7,000	\$7,400	\$7,800
Avg Inc. Per Unit Per Month	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Percent Funded -Max Level 85.1%	75%	72%	69%	66%	65%	62%	61%	60%	59%	58%
Contribution Increase	\$5,260	\$263	\$277	\$300	\$300	\$300	\$300	\$400	\$400	\$400
Year End	2023-06-30	2024-06-30	2025-06-30	2026-06-30	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	2032-06-30

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**Projected Cash Flow - Model 30 Years - 15 Year Normalization
with Special Levies**

Forest Crowne Close - Bareland - NES 2947

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%

Year Beginning	2032-07-01	2033-07-01	2034-07-01	2035-07-01	2036-07-01	2037-07-01	2038-07-01	2039-07-01	2040-07-01	2041-07-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$126,139	\$156,241	\$214,928	\$41,288	\$50,077	\$59,929	\$61,991	\$75,051	\$79,953	\$82,773
Planned Contributions	\$8,600	\$9,000	\$9,400	\$9,900	\$10,400	\$10,900	\$11,200	\$11,500	\$11,800	\$12,200
Additional Allocations										
Interest Income	\$3,784	\$4,687	\$6,448	\$1,239	\$1,502	\$1,798	\$1,860	\$2,252	\$2,399	\$2,483
Special Assessments	\$25,000	\$45,000								
Cash Resources	\$163,523	\$214,928	\$230,776	\$52,427	\$61,979	\$72,627	\$75,051	\$88,803	\$94,152	\$97,456
Reserve Components										
Depreciation Report			\$1,813			\$2,010			\$2,229	
Asphalt Paving - Repairs										\$3,750
Exterior Lighting and Electrical Repairs				\$2,350						\$2,900
Garbage Enclosures					\$2,050					
Landscaping and Drainage	\$3,050					\$3,600				
Underground Services - Major Repairs										
Asphalt Paving - Complete Lift			\$187,675							
Exterior Lighting - Replacement								\$8,850	\$9,150	\$9,468
Underground Services - Scoping and Flushing	\$4,232					\$5,026				
Total Expenses	\$7,282	\$0	\$189,488	\$2,350	\$2,050	\$10,636	\$0	\$8,850	\$11,379	\$16,118
Closing Balance	\$156,241	\$214,928	\$41,288	\$50,077	\$59,929	\$61,991	\$75,051	\$79,953	\$82,773	\$81,338
Planned Contributions	\$8,600	\$9,000	\$9,400	\$9,900	\$10,400	\$10,900	\$11,200	\$11,500	\$11,800	\$12,200
Prev Year Contributions	\$8,200	\$8,600	\$9,000	\$9,400	\$9,900	\$10,400	\$10,900	\$11,200	\$11,500	\$11,800
Avg Inc. Per Unit Per Month	\$1	\$1	\$1	\$2	\$2	\$2	\$1	\$1	\$1	\$1
Percent Funded -Max Level 85.1%	68%	85%	48%	48%	49%	47%	49%	48%	46%	43%
Contribution Increase	\$400	\$400	\$400	\$500	\$500	\$500	\$300	\$300	\$300	\$400
Year End	2033-06-30	2034-06-30	2035-06-30	2036-06-30	2037-06-30	2038-06-30	2039-06-30	2040-06-30	2041-06-30	2042-06-30

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**Projected Cash Flow - Model 30 Years - 15 Year Normalization
with Special Levies
Forest Crowne Close - Bareland - NES 2947**

**Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%**

Year Beginning	2042-07-01	2043-07-01	2044-07-01	2045-07-01	2046-07-01	2047-07-01	2048-07-01	2049-07-01	2050-07-01	2051-07-01	2052-07-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$81,338	\$73,809	\$86,552	\$102,549	\$119,425	\$134,468	\$132,762	\$148,645	\$165,466	\$87,530	\$4,306
Planned Contributions	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,000	\$15,400	\$15,900	\$16,400	\$16,900
Additional Allocations											
Interest Income	\$2,440	\$2,214	\$2,597	\$3,076	\$3,583	\$4,034	\$3,983	\$4,459	\$4,964	\$2,626	\$129
Special Assessments											
Cash Resources	\$96,378	\$89,023	\$102,549	\$119,425	\$137,208	\$153,102	\$151,745	\$168,504	\$186,330	\$106,556	\$21,335
Reserve Components											
Depreciation Report		\$2,471			\$2,740			\$3,038			\$3,368
Asphalt Paving - Repairs						\$4,600					
Exterior Lighting and Electrical Repairs						\$3,550					
Garbage Enclosures	\$2,500						\$3,100				
Landscaping and Drainage	\$4,300					\$5,100					\$6,050
Underground Services - Major Repairs									\$98,800	\$102,250	
Asphalt Paving - Complete Lift											
Exterior Lighting - Replacement	\$9,800										
Underground Services - Scoping and Flushing	\$5,969					\$7,090					\$8,420
Total Expenses	\$22,569	\$2,471	\$0	\$0	\$2,740	\$20,340	\$3,100	\$3,038	\$98,800	\$102,250	\$17,838
Closing Balance	\$73,809	\$86,552	\$102,549	\$119,425	\$134,468	\$132,762	\$148,645	\$165,466	\$87,530	\$4,306	\$3,497
Planned Contributions	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,000	\$15,400	\$15,900	\$16,400	\$16,900
Prev Year Contributions	\$12,200	\$12,600	\$13,000	\$13,400	\$13,800	\$14,200	\$14,600	\$15,000	\$15,400	\$15,900	\$16,400
Avg Inc. Per Unit Per Month	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$2
Percent Funded -Max Level 85.1%	38%	40%	42%	44%	44%	42%	43%	44%	28%	2%	1%
Contribution Increase	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$500	\$500	\$500
Year End	2043-06-30	2044-06-30	2045-06-30	2046-06-30	2047-06-30	2048-06-30	2049-06-30	2050-06-30	2051-06-30	2052-06-30	2053-06-30

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RECOMMENDATIONS

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

1. The corporation can prepare and implement a long-term reserve fund plan similar to that laid out in one of the three Projected Cash Flow Analysis or can decide on their own funding direction.
2. To ensure that the reserve fund is sufficiently funded over the study horizon, it will be necessary to contribute the annual amounts noted in the Projected Cash Flow Analysis. The annual contributions may increase at different rates as noted in the Cash Flow Analysis. Applying these figures, the reserve fund should be able to meet the projected expenditures over the study horizon.
3. The reserve fund should be invested in securities. It is assumed that over the study horizon the average of the interest rates actually achieved by the strata corporation will equal the Long-Term Stabilized Interest Rate noted in the Cash Flow Analysis herein. If there is any variance between the Long-Term Stabilized Interest Rate utilized herein and the average of the interest rates actually achieved by the strata corporation, then the data, analyses, and conclusions contained herein may require adjustment.
4. The corporation should use the reserve fund to perform major repairs and replacements to the common elements. The reserve funds should not be commingled with any other funds of the corporation.
5. The corporation should review the reserve fund every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
6. Three funding models were provided for the Corporations consideration:
 - Cash Flow Model – 10 Year Normalization
 - Cash Flow Model – 5 Year Normalization
 - Cash Flow Model – 15 Year Normalization with Levies



QUALIFICATIONS OF PLANNERS

Daniel B. Jablonski, CRP

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

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

Lidka Storm, CRP

Mrs. Storm's qualifications as a reserve fund provider are based on Education and Experience in the fields of reserve fund planning, architectural design, project management and construction.

In 2019 she received the CRP (Certified Reserve Planner) designation from the Real Estate Institute of Canada. In addition, she is a member of the Real Estate Institute of Canada.

Lidka Storm has been involved in the design and construction industry since 2006 and in the real estate industry since 2013. She has experience in architectural and mechanical designs, construction practices, Alberta Building Code, costing of new residential properties and take offs using AutoCAD based measurements.



CERTIFICATION

**Forest Crowne Close
300 & 400 Forest Crowne Close
Kimberley BC
STRATA #NES 2947**

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

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

Daniel B. Jablonski, CRP
(Reviewed but not inspected by)

Lidka Storm, CRP

Report Date: June 30, 2023