



**CROSSBOW POINT
155, 165, AND 175 CROSSBOW PLACE
CANMORE, ALBERTA
CONDOMINIUM #0310034**

RESERVE FUND REPORT

Prepared For

Condominium #0310034
c/o Peka Management Ltd.
105, 1002 - 8 Avenue
Canmore, Alberta
T1W 0C4

Prepared By

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July 29, 2016

File No. 7346

Condominium Corporation #0310034
c/o Peka Management Ltd.
105, 1002 - 8 Avenue
Canmore, Alberta
T1W 0C4

Attention: Becki Kochan

**RE: Reserve Fund Report
Crossbow Point
155, 165, and 175 Crossbow Place
Canmore, Alberta
Condominium #0310034**

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

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

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

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

Yours truly,
Reliance Asset Consulting Inc.

Harold D. Weidman, CRP
HDW/cow

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Executive Summary

Condominium Details:	Crossbow Point 155, 165, and 175 Crossbow Place Canmore, Alberta
Condominium Number:	0310034
Property Description:	114 Unit, Low Rise Apartment with parkades and Amenity Centre.
Year of Construction:	2004
Report Date:	July 29, 2016
Inspection Date:	January 05, 2016
Plan Commencement Date:	September 01, 2016
Financial Year End:	August 31
Reserve Fund Requirements:	
Current Replacement Costs	\$ 5,479,600
Future Replacement Costs	\$ 11,185,407

Limiting Conditions & Assumptions

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

Copyright Provisions

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

Assumptions, Conclusions, & Recommendations

Assumptions:

The Stabilized Interest Rate for the study horizon was set at 3% per annum and a short term interest rate of 1.6% was utilized for the first five years. The Stabilized Inflation Rate was set at 3.25% per annum.

Conclusions:

As of the beginning of this study's financial plan August 31, 2016 The Corporation is approximately 34% funded according to the current reserve fund requirements.

The goal of the financial plan(s) recommended is to maintain approximately a 16% - 57% funded position during the 25-year study horizon. At this level of funding the corporation should be able to adequately provide for all regularly expected expenditures for the next 25 years and additionally 40 years. The plan also provides a buffer for some pre-mature failures if they occur. The plan is designed to provide a fair and stabilized reserve contribution for future owners. If the recommended plan is followed, reserve contribution increases should be fairly stable and should remove the likelihood of special assessments. However as pre-mature failures and unforeseen repairs do occur it is impossible to predict this with certainty. These conclusions are based on the provision that the interest rates and inflation rate assumptions remain reflective of the local economy, and regular maintenance is being completed.

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.

Recommendations:

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

At the time of the study inspection the following items were noted which may require additional investigation:

Interior: Significant drywall crack was observed near stairwell doors near unit 316 and unit 305, and continuing up to attic level. Most likely due to settlement recommend repair and monitoring.

Concrete Foundations: Water leak was observed in tunnel leading from the north building to the amenity center. Previous injections were observed. Recommend an investigation by a qualified consultant of the exterior waterproofing and related drainage.

Stone / Drainage: Efflorescence and water staining was observed in select areas typically under small eave sections and on stone sections of support columns. Recommend monitoring of these areas and an investigation to determine possible water diversion remediation.

The Board was made aware of the situation related to these components and is currently investigating these issues. Any significant undetermined costs for any extensive repairs or resulting correction are outside the scope of this study and would require further examination by qualified consultant(s). If it becomes necessary to undertake an extensive repair program, the corporation will have to consider budgeting and funding options at that time.

Reserve Fund Study, Report, & Plan Requirements

Introduction

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

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

Section 38

(1) A corporation shall, subject to the regulations, establish and maintain a capital replacement reserve fund to be used to provide sufficient funds that can reasonably be expected to provide for major repairs and replacement of:

- (a) any real and personal property and the common property owned by the Corporation,
- (b) the common property, and
- (c) any property of an owner in respect of a bare land unit that the corporation is required by bylaw to repair and replace,

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

(1.1) If, before the coming into force of subsection (1)(c), a corporation was required by bylaw to repair and replace property of an owner of a bare land unit, the collection and expenditure of funds to repair and replace that property are valid if

- (a) the collection and expenditure occurred on or after the date the bylaw took effect under this Act, and
- (b) the collection and expenditure would have been in compliance with subsection (1) if subsection (1)(c) had been in force at the time the collection and expenditure occurred.

(2) Notwithstanding subsection (1), funds shall not be taken from a capital replacement reserve fund for the purpose of making capital improvements unless

- (a) the removal of funds for that purpose is authorized by a special resolution, and
- (b) after the removal of funds pursuant to the special resolution, there are sufficient funds remaining in the capital replacement reserve fund to meet the requirements of subsection (1).

(3) The money in the capital replacement reserve fund of the corporation is an asset of the corporation and no part of that money shall be refunded or distributed to any owner of a unit except where the owners and the property cease to be governed by this Act.

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

Section 23

Physical Analysis

(1) The board must retain a qualified person to carry out a study of the depreciating property for the purposes of determining the following:

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

Financial Analysis

(2) In carrying out the reserve fund study under subsection (1), the qualified person must also do the following:

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

Study and Report

(3) On completing the reserve fund study under this section, the person who carried out the study must prepare and submit to the board a reserve fund report in writing in respect of the study setting out the following:

- (a) the qualifications of that person to carry out the reserve fund study and prepare the report;
- (b) whether or not the person is an employee or agent of or otherwise associated with the corporation or any person who performs management or maintenance services for the corporation;
- (c) the findings of the reserve fund study in respect of the matters referred to in subsections (1) and (2);
- (d) any other matters that the person considers relevant.

The Reserve Plan

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

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

(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.

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 condominium reserve fund planning, as outlined herein. No person other than the condominium corporation (hereinafter referred to as “the client”) or a bona-fide purchaser of a condominium unit in the complex may use or rely upon this report without first obtaining prior written authorization from Reliance Asset Consulting Inc. (hereinafter referred to as “Reliance”). Reliance and the authors of this report shall not assume any of the duties or liabilities of the owners and/or builders of the property. This report may contain other limiting conditions, qualifications, or assumptions, in addition to those set forth below, that pertain to the purpose of this report.
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 reserve fund study is issued subsequent to the date of this report, whether it is issued by Reliance or by any other firm person or corporation, then this report shall become null and void. The onus is on the reader to determine if any there is any such reserve fund study in existence prior to relying upon this report.
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, 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. Decisions to replace components are not to be made solely on the basis of this report. A detailed review should be made prior to considering a major repair or replacement as to scope and timing. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if, as, and when they arise. Industry costs of labour and materials are dependent on competition and supply and demand cycles. The cost projections are approximate and intended for general budgeting purposes only with the most accurate cost ascertained at the time the component is to be actually replaced. Reserve fund requirements are subject to change and must be reviewed and modified over time, not greater than every five 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.

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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 allowances that provide a range of cost estimates which can be reviewed regularly and adjusted as required.
7. The distribution of cost and other estimates in this report apply only under the program of utilization as identified in this report. The estimates herein must not be used in conjunction with any other study and may be invalid if so used. Unless otherwise noted, all fees, costs, and cost estimates are expressed in Canadian dollars. The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated.
8. Within the condominium complex certain components will require replacement during the study horizon. Except as expressly stated otherwise within this report, it is assumed that all such components will be replaced with components which are similar in terms of design, quality, workmanship and materials unless otherwise specified.
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. No legal surveys; soil, air or water quality tests; construction code reviews; technical audits; condition surveys, engineering investigations; environmental investigations; detailed quantity surveys; nor exhaustive physical examinations have been made. Therefore, no responsibility is assumed for such matters. When buildings and/or other ancillary improvements are present the architectural, structural, mechanical, electrical, and other plans and specifications provided are assumed to be correct. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted. No responsibility is assumed for any inherent, latent or hidden defects, damages or conditions of the property. The analysis herein assumes that the structural components within the building will last the physical life of the building unless specified herein. For that reason, replacement of such components was not accounted for within this report.

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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 the appropriate 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 condominium property. If the condominium board engages other service providers who do not provide the same level of maintenance, repair and replacement as the existing service providers, then the data, analyses and conclusions contained herein may require adjustment.

Scope of Investigation & Analysis

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

The inspection process was based on the following:

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

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

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

Items 1, 2, 3, 4, 5, and 9 were provided. The data, analyses, and conclusions contained in this report may require adjustment if any of the plans, documents or drawings specified in items 1 to 9 noted above are provided at a later date.

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This report is subject to the following terms and conditions:

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

Underlying Assumptions

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

Interest & Inflation

The basic concept in reserve fund planning is to forecast the necessary amount of reserve required to meet the future financial needs of the complex. This involves factoring future costs and the future value of invested funds. 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:	3.25%
Estimated First Five Year Interest Rate:	1.60%
Estimated Long Term Stabilized Interest Rate:	3.00%

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

Demolition and Disposal Costs

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

Goods and Services Tax

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

Engineering Reports and Other Studies

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

Repair and Replacement Cost Estimates

The costs of repairs and/or replacements of many building components are invariably higher than original building costs where contractors have considerable latitude in terms of planning their work and utilizing economies of scale to keep costs within construction budgets. Conversely, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints. Cost estimates must therefore 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 managed by a professional property management company.

Maintenance is expected to assist the various components to reach their normal life expectancy. Maintenance is considered to be proactive regular monitoring and repair of a component to ensure it functions properly over its life instead of reacting when the component fails or does not perform to a required industry standard. Life expectancies of components listed in the study are reflective of regular maintenance being performed. In the case that regular maintenance is not being completed pre-mature failure may occur.

Special Assumptions and Terms of Reference

A) Operating Expense Items

The expenditures for the following components were considered to be either nominal in nature or recurring on a periodic or annual basis. These types of expenditures are typically drawn from the general operating budget. These components were therefore treated as miscellaneous items that were excluded from the reserve fund. These miscellaneous components included the following:

1. Annual landscaping maintenance.
2. Fire extinguishers must be reloaded and tested on a periodic basis in accordance with local codes and bylaws. These types of expenditures are typically minor in nature and should therefore be taken from the operating budget.
3. Expenditures for maintenance and inspection contracts involving any elevator(s) if they exist, fire protection systems, as well as the plumbing, heating, ventilation and other mechanical systems are considered to be operating expense items and should therefore be taken from the operating budget.
4. Inspections, testing and maintenance for any landscaping irrigation system.

B) Special Assumptions

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

Windows and Doors.

The Condominium Property Act

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

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

Subject Property Information

The property is described municipally and legally as follows:

Crossbow Point
155, 165, and 175 Crossbow Place
Canmore, Alberta
T1W 3H6
Condominium #0310034

Crossbow Point is located just outside the town of Canmore in what is known as the Three Sisters Mountain Village. The complex is an apartment style condominium comprising two freestanding low-rise apartment buildings plus an amenity building, with 260 legal units, 114 of which are residential units and the remainder being made up of titled parking and common area.

The two residential buildings; Buildings 155 and 175, are three-storey plus loft in design and are each developed over a parkade.

Building 155 is located in the southwest end of the site and is comprised of 57 residential units. The main and second levels of the building include 19 residential units and the third floor contains 19 units with 12 of them having a loft level. P1 of the parkade includes a utility room and a storage room, while P2 includes a carwash bay and a garbage room.

Building 175 is located in the northwest corner of the site. The main and second levels of the building include 19 residential units and the third floor contains 19 units with 13 of them having a loft level. The parkade includes a car wash bay and a garbage room.

Adjacent to Building 155 is a detached two-storey amenity building (Building 165). The main level comprises; an exercise room, pool with inside/outside hot tub, steam room, dry sauna, two 3-piece including showers, theatre room, lounge with large double-sided fireplace and library. Also off the main level is tunnel access to building 155 and 175's parkades. On the second level there is a games room with pool table, shuffleboard and games tables, large function room with two 7-piece washrooms, a kitchen with counter servery, and access to a terrace. The basement consists of the pool mechanical room, the main mechanical and electrical rooms and a janitor's room.

The Reserve Fund Process

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

1. Physical Analysis

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

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

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

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

Reserve Component: Concrete Foundations

Physical Description:	The foundation consists of poured concrete footings and poured concrete steel reinforced walls. If properly installed and waterproofed these components are expected to last the lifespan of the building. This reserve provides for repairs to the above items. As replacements of these items are not typically required, this provision is for periodic repairs only. It is not intended to provide for replacement. This is essentially a contingency reserve that should be reviewed periodically. For purposes of this study, a contingency expenditure for repairs to the foundation was injected into each of the five-year planning blocks within the Cash Flow analysis.
Items Included:	Concrete Foundations
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Select cracks were observed with minor signs of water staining, two sections had signs of water penetration with one active leak in the tunnel between the north building and the amenity center, otherwise no issues. Recommend an investigation of the active leak, and cleaning and monitoring of the other water stained areas.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential Deterioration can occur from hydraulic pressure, seismic pressure, water infiltration, and settling.

Reserve Component: Waterproof Membranes

Physical Description:	Waterproof membranes are used to provide a water barrier overtop of porous materials such as concrete. They are typically constructed of a vinyl or tar based product.
Items Included:	Waterproof Membrane
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some leaks were observed which may be related to waterproofing sections.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration is caused by expansion and contraction, material brittleness.

Reserve Component: Balcony / Deck Hand Railings

Physical Description:	Metal, Glass, and wood hand railings are manufactured from wood, aluminum, metal, and or tempered glass. The railings are fastened via bolts to the underlying structure in order to provide a safety barrier for residents.
Items Included:	Wood hand railings
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some signs of deterioration were observed. Observations were from ground level only. It is assumed that the board is repairing as required.
Typical Life Expectancy:	20
Estimated Effective Age:	15
Estimated Remaining Life:	5
Potential Deterioration:	Potential deterioration is caused by oxidation, wear and tear, UV rays, and physical damage.

Reserve Component: Balcony Vinyl Membranes

Physical Description:	Vinyl membrane decking is used to provide a waterproof surface for the use of residential tenants on balconies or decks. The vinyl is typically applied over a wood or concrete structure, and is sealed at the edges via caulking.
Items Included:	Balcony Vinyl Membrane
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Membrane on amenity center was replaced circa 2015. Some minor edge lifting was observed one membrane had seam separation but appeared to be an anomaly in relation to the other observed membranes. Some joints with railings had sealant separation, otherwise no issues. Recommend ongoing monitoring, repairs, and sealing, in anticipation of replacement program.
Typical Life Expectancy:	20
Estimated Effective Age:	12
Estimated Remaining Life:	8
Potential Deterioration:	Potential deterioration is caused by Ultra violet rays, physical and weather damage, expansion and contraction.

Reserve Component: Stairs and Treads - I

Physical Description:	Exterior stair cases have wood or metal supporting structure with varying stair and tread materials. The tread should provide a surface that will limit slipping in adverse weather conditions.
Items Included:	Metal Stairs
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Stringers and steps have some oxidization and deterioration; board is replacing as required.
Typical Life Expectancy:	25
Estimated Effective Age:	24
Estimated Remaining Life:	1
Potential Deterioration:	Potential deterioration can occur from general wear, and water erosion.

Reserve Component: Stairs and Treads - II

Physical Description:	Exterior stair cases have wood or metal supporting structure with varying stair and tread materials. The tread should provide a surface that will limit slipping in adverse weather conditions.
Items Included:	Metal Stairs
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Stringers and steps have some oxidization and deterioration, board is monitoring.
Typical Life Expectancy:	25
Estimated Effective Age:	21
Estimated Remaining Life:	4
Potential Deterioration:	Potential deterioration can occur from general wear, and water erosion.

Reserve Component: Caulking

Physical Description:	Caulking is used to provide a water resistant seal between dissimilar materials, expansion joints and minor gaps. The seal is used to provide water protection to the underlying structure.
Items Included:	Exterior Caulking Residential
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Limited or no caulking was observed on exterior openings between select dissimilar materials. Caulking around select windows has some seam separation and was poorly applied. Recommend requirements be investigated during paint cycles and applied as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from UV rays, freeze thaw cycles, extreme heat or cold, and physical damage. All of these items can cause the water seal to fail and cause damage to the underlying structure.

Reserve Component: Stone Veneer

Physical Description:	The exterior walls of the building(s) are partially finished with stone veneer. Stone veneer is a thin layer of real or fabricated stone which is adhered to the substrate.
Items Included:	Stone Veneer
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some efflorescence was observed in select sections these areas should be monitored, otherwise no issues.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration is caused by erosion, and wear and tear. Deterioration is commonly present near exposed edges.

Reserve Component: Stucco

Physical Description:	Stucco is a cement based finish that typically is applied to steel or plastic mesh with a layer of tar or waterproof paper behind. This component if properly installed should last the life of the building with regular maintenance and repairs
Items Included:	Acrylic Stucco
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some areas of water staining were observed in high water traffic areas majority of exterior appears intact.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Potential deterioration can occur from water penetration do to improper caulking and/or flashing, settlement, physical damage, expansion and contraction.

Reserve Component: Wood Siding

Physical Description:	Wood siding is an exterior cladding that applied vertically or horizontally over a sheathing that may be covered in tar paper. The wood siding is intended to protected the structure from water penetration by running any water to the ground or water drainage systems. Wood siding will require painting in order to preserve its water resistance and aesthetic appeal. If properly protected wood siding can experience extended use.
Items Included:	Wood Siding
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Minor warped sections near flashing was observed otherwise no issues.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, adverse weather conditions, improper installation, and UV Rays.

Reserve Component: Wood Trim

Physical Description:	The exterior walls have painted or stained wood trim. Trim is used typically in transition areas or wall openings in order to provide an added aesthetic appeal and aide in future replacements of window and door openings.
Items Included:	Wood Trim & Beams
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Beam repairs have been completed and ongoing monitoring, sealing and repairs are recommended.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Possible deterioration can occur from weather damage, wear and tear.

Reserve Component: Building Exterior Lights

Physical Description:	Building exterior lights provide illumination to entry ways for units and other common buildings.
Items Included:	Building Exterior Lights
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Potential deterioration can occur from improper installation, weather conditions, and physical damage.

Reserve Component: Eaves & Downspouts

Physical Description:	Eaves and Downspouts when properly installed provide proper drainage from the roof to the surface drainage systems. Typical construction is prefinished metal or aluminum, with varying depths and widths.
Items Included:	Eaves & Downspouts
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Materials appear intact, water staining on exteriors would indicate potential overflow points and some sealing requirements. Recommend monitoring, sealing, and diverting as required.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Potential deterioration can occur from improper installation, freeze thaw cycles, UV rays, extreme weather conditions, and physical damage.

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Reserve Component: Exterior Doors - Entry & Common

Physical Description:	Exterior doors are used for the purposes of exit and entry from dwellings and buildings. They have various styles and construction materials, being either wood, vinyl, metal, aluminum, or combinations of all of the above. Exterior doors can be of either hollow or solid construction. Optional safety hardware can include windows, panic bars, and hydraulic closing systems.
Items Included:	Metal Exterior Doors, Aluminum Entry Doors
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Tested doors were functional. Select doors may require adjustment or weather stripping replacement.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Exterior doors are typically affected by weather damage, misuse, wear and tear, physical damage, UV rays, and or oxidation.

Reserve Component: Exterior Doors - Unit

Physical Description:	Exterior doors are used for the purposes of exit and entry from dwellings and buildings. They have various styles and construction materials, being either wood, vinyl, metal, aluminum, or combinations of all of the above. Exterior doors can be of either hollow or solid construction. Optional safety hardware can include windows, panic bars, and hydraulic closing systems.
Items Included:	Metal Atrium Doors
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.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Exterior doors are typically affected by weather damage, misuse, wear and tear, physical damage, UV rays, and or oxidation.

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Reserve Component: Metal Fascia/Flashing

Physical Description:	Metal or Aluminum fascia is the band situated vertically under a roof edge in order to provide waterproofing for the structure as well as a visually appealing surface. Flashing provides a water shedding surface in order to divert water from exterior openings and edges of exterior finishes where water can rest or penetrate more easily.
Items Included:	Metal Fascia/Flashing
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Potential deterioration can occur from adverse weather conditions, UV rays, improper installation and physical damage.

Reserve Component: Painting: Wood - High Wear Sections

Physical Description:	All exterior wood should be painted or stained on a regular basis in order to prevent water penetration. Proper paint cycles can help prevent premature deterioration of the wood.
Items Included:	Wood Painting / Caulking
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some exposed underlying materials were observed, otherwise, no issues. Board is touching up in 2016.
Typical Life Expectancy:	3
Estimated Effective Age:	0
Estimated Remaining Life:	3
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.

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Reserve Component: Painting: Wood - Normal Wear Sections

Physical Description:	All exterior wood should be painted or stained on a regular basis in order to prevent water penetration. Proper paint cycles can help prevent premature deterioration of the wood.
Items Included:	Wood Painting / Caulking
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some exposed underlying materials were observed, otherwise, no issues. It was assumed that a portion of the exterior had been completed at the time of inspection.
Typical Life Expectancy:	7
Estimated Effective Age:	1
Estimated Remaining Life:	6
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.

Reserve Component: Soffits

Physical Description:	Soffits are used to bridge the gap between a building's roof line and exterior wall. They are providing ventilation for attic areas and moisture drainage.
Items Included:	Metal Soffits
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Potential deterioration can occur from improper installation, poor attic ventilation which can cause moisture build up and oxidization, expansion and contraction, physical damage, and water penetration.

Reserve Component: Windows

Physical Description:	Windows are transparent or translucent opening that allows the passage of light. Most windows are glazed with a coating that helps prevent heat loss and/or gain. Most modern style windows have either two or three glazed panes with a vacuum between the panes to help the insulation factor. Windows come in many styles and materials. Including metal, vinyl, wood, fiberglass, and aluminum. Styles include casement, slider, awning, fixed, hung, and double hung.
Items Included:	Vinyl Casement, Vinyl Fixed
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.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Deterioration can occur from misuse, improper installation, expansion and contraction, extreme weather conditions, and ultra violet rays. Most common deterioration is the seals around the panes breaking, and water penetration in to the frame causing rot.

Reserve Component: Concrete Tile

Physical Description:	Concrete tile is an overlapping roofing system that should last as long as the building if properly maintained.
Items Included:	Concrete Tile
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Roof was partially snow covered at time of inspection. Assumed to have no issues.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Damage, and extreme weather.

Reserve Component: Modified Bitumen Membrane

Physical Description:	This roofing system is a rolled on and sealed roof material that is made of asphalt and other solvents to provide a waterproof surface. This component will eventually require replacement, but can be repaired to extend the expected life. However, over time full will become more cost effective.
Items Included:	Modified Bitumen Membrane
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No edge capping was installed; however, no issues were observed.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from weather conditions, expansion and contraction, improper installation, and physical damage.

Reserve Component: Interior Doors - Common

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

Reserve Component: Interior Doors - Unit

Physical Description:	Interior unit doors allow access to the unit from a hallway or common area. These doors are indoor use. The component includes the door, jams, header, and trim with hardware. The doors if properly maintained should give an extended life. Doors may eventually be replaced due to aesthetic purposes.
Items Included:	Wood Doors (Solid)
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	-Deterioration can occur from physical damage, and general wear and tear.

Reserve Component: Metal Hand Railings

Physical Description:	Metal hand railings, provide protective boundaries for interior areas. The component is either painted or powder coated to protect the metal from oxidization. This component in most cases would be replaced due to aesthetic purposes. Minor repairs may be required.
Items Included:	Metal Hand Railings
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Wear and tear, and physical damage.

Reserve Component: Flooring: Carpet

Physical Description:	Carpet provides for a tread surface for interior floors. It is made up of various materials like wool, and nylon. Carpet will wear over time and require replacement. The component may also be replaced for aesthetic purposes.
Items Included:	Carpet
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Carpet appears well maintained with normal wear and compaction in high traffic areas.
Typical Life Expectancy:	10
Estimated Effective Age:	3
Estimated Remaining Life:	7
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, and normal wear.

Reserve Component: Flooring: Ceramic Tile

Physical Description:	Ceramic tile is a resilient flooring material and can last for an extended period of time. The component may require replacement due to aesthetic purposes, or partial damage.
Items Included:	Common Flooring Ceramic Tile
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage.

Reserve Component: Flooring: Vinyl

Physical Description:	Vinyl flooring is a composite system made of made from a combination of adhesives and vinyl that are compressed to result in a wearable surface. The system can be applied to a subfloor with adhesives or in the case of drop flooring simply laid on top of a modified subfloor.
Items Included:	Vinyl Tile
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and general wear and tear.

Reserve Component: Mailboxes

Physical Description:	Mailboxes are either front or back loading aluminum or metal boxes.
Items Included:	Mailboxes
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from general wear.

Reserve Component: Painting: Interior

Physical Description:	Interior painting may be required for Aesthetic purposes over time the wall paint will discolour or go out of style and require re-application.
Items Included:	Hallway Painting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Some minor marks and chips were observed otherwise no issues. Minor amounts of wood trim separation were observed.
Typical Life Expectancy:	10
Estimated Effective Age:	3
Estimated Remaining Life:	7
Potential Deterioration:	Deterioration is caused by physical damage.

Reserve Component: Elevator Cab Refurbish

Physical Description:	Elevator cabs can become dated and require updating in order retain their aesthetic appeal. Renovations of an elevator must always be performed by a licensed technician.
Items Included:	Elevator Cab Refurbishment
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	11
Estimated Remaining Life:	19
Potential Deterioration:	Deterioration can occur from general wear and tear.

Reserve Component: Elevator(s)

Physical Description:	Hydraulic elevators are operated with an actuating pole controlled by hydraulic liquid. Hydraulic elevators have a limited lift height.
Items Included:	Hydraulic Elevator
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	30
Estimated Effective Age:	11
Estimated Remaining Life:	19
Potential Deterioration:	Deterioration can occur from oxidization of the hydraulic tank, and general wear and tear.

Reserve Component: Air Conditioner(s)

Physical Description:	Air conditioning systems range from unit to whole building systems. Typically air conditioning refers to the lowering of the air temperature. This is achieved by passing warm air through a condenser system which cools the warmer air and is then distributed into the area requiring conditioning.
Items Included:	Air Conditioners
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from normal wear and tear.

Reserve Component: Make-up Air Unit(s) - Hallway & Parkade Repairs

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

Reserve Component: Plumbing & Heating - Pumps and Supporting Equipment

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

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Reserve Component: Plumbing & Heating Systems - Piping

Physical Description:	<p>Storm and sanitary drain lines and risers are a combination of cast iron or ABS and PVC piping. The lower level includes sanitary and storm drains to the street, as well as floor drains and sumps.</p> <p>Domestic water is provided via copper and/or plastic lines. Back flow preventers are installed for water lines.</p> <p>For purposes of this report, it is assumed that these plumbing and heating systems were installed in accordance with all applicable codes and regulations as required by law. It was not possible to conduct tests or inspections of these plumbing systems.</p> <p>Hot water recirculation lines typically require repair or replacement on a periodic basis due to the constant movement of water through these lines. In-suite plumbing may be subject to irregular leaks or failures due to freezing, damage, or excess wear. Joints in plumbing systems are most effected and are typically repaired as required. Common area and suite related remediation may be funded through this component but is commonly funded through insurance claims. If insurance claims are frequent the corporation's premiums will be effected, and it is recommended that each incident's funding be carefully considered.</p>
Items Included:	Heating, Potable Water, and Sanitary Plumbing Lines
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, and internal wear from water circulation.

Reserve Component: Access Intercom

Physical Description:	An intercom (intercommunication device), talkback or door phone is a stand-alone voice communications system. Intercoms can incorporate connections to public address loudspeaker systems, walkie talkies, telephones, and to other intercom systems. Some intercom systems incorporate control of devices such as signal lights and door latches. This component may be replaced due to technology advancements.
Items Included:	Access Intercoms
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage, and general wear.

Reserve Component: Annunciator Panel

Physical Description:	A fire alarm or annunciator panel will indicate the zone and approximate physical location of the source of a fire alarm in the building. The annunciator may also include lamps and audible warning devices to indicate failures of alarm circuits.
Items Included:	Annunciator Panel
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	11
Estimated Remaining Life:	19
Potential Deterioration:	Deterioration can occur from physical damage, general wear, and excess heat as it is an electrical system.

Reserve Component: Boiler(s)

Physical Description:	The hydronic boiler operates by way of heating water/fluid to a pre-set temperature. The boiler has heating elements that heat water passing through the boiler once or twice. The water or fluid is then pumped to holding tanks or the heating system. Mid-efficiency boilers typically operate between 50-85% efficiency. Efficiency will decrease over the life of the boiler, making replacement a consideration not only due to failure.
Items Included:	Hot water boiler mid efficiency
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from improper installation, physical damage, water corrosion, and overheating of the heating unit.

Reserve Component: Furnace(s) - Hallway Make Up Air Units

Physical Description:	The component uses ductwork, vents, and plenums as means of air distribution, separate from the actual heating system. The heating unit consist of an air filter, blower, heat exchanger/element/coil, and various controls. Thermostats are used to control system.
Items Included:	Furnaces
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from general wear and tear, excessive use, and improper installation.

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Reserve Component: Hot Water Heater I

Physical Description:	Hot water heaters are metal tanks that store and heat water via a heating element. The water is distributed to residential units via a recirculation system. The metal tanks will eventually corrode.
Items Included:	Hot Water Heater
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Based on the serial numbers the hot water tanks appear original. The component is past its normal life expectancy and should be reserved as such, board is investigating replacement in 2016 / 2017.
Typical Life Expectancy:	10
Estimated Effective Age:	9
Estimated Remaining Life:	1
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and water corrosion.

Reserve Component: Hot Water Heater II

Physical Description:	Hot water heaters are metal tanks that store and heat water via a heating element. The water is distributed to residential units via a recirculation system. The metal tanks will eventually corrode.
Items Included:	Hot Water Heater
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	The component is past its normal life expectancy and should be reserved as such, board is investigating replacement in 2016 / 2017.
Typical Life Expectancy:	10
Estimated Effective Age:	9
Estimated Remaining Life:	1
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, and water corrosion.

Reserve Component: Make-up Air Unit(s) - Parkade Replacement

Physical Description:	Make up air units provide for common area pressurization. Some units provide heating and/or cooling. The equipment is usually housed on the roof or basement, and ducted into the required areas.
Items Included:	Make-up Air Unit(s) & Exhaust Fans
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	40
Estimated Effective Age:	12
Estimated Remaining Life:	28
Potential Deterioration:	Deterioration can occur from physical damage, and general wear and tear. Regular maintenance can help extend the components service life.

Reserve Component: Electrical Systems

Physical Description:	This reserve includes the various distribution panels, electrical cables, and wiring connections located within the building. This category specifically excludes all of the underground electrical systems located on the exterior of the building. The building has three-phase 120/208-volt power service. Most of the components in this reserve category should have life expectancies which are comparable to that of the building.
Items Included:	Electrical systems
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Possible deterioration can occur from excessive heat in panels and electrical rooms, and overloaded circuits.

Reserve Component: Security Door System

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

Reserve Component: Interior Lighting - Hallway

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage.

Reserve Component: Interior Lighting - Parkade

Physical Description:	Interior lighting is required for common areas in order to provide safety and adequate light. Aesthetics or enhanced energy savings based on new technology may also influence when these items will be replaced. This reserve specifically excludes all emergency lighting.
Items Included:	Interior Lighting
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage.

Reserve Component: Consulting Services

Physical Description:	Consulting services include services such roof inspections, building envelope reviews, engineering fees, etc...
Items Included:	Consulting Services
Type of Component:	Allowance - The reserve provides for services related to the partial replacement or repair of the component.
Observed Condition:	N/A
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A

Reserve Component: Reserve Fund Study

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

Reserve Component: Chattels

Physical Description:	Various furniture and other moveable items.
Items Included:	Furniture, and other various equipment.
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Appear well maintained.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	General wear and tear.

Reserve Component: Pool Mechanical Equipment

Physical Description:	Pool mechanical equipment includes pumps, filters, and some PVC lines. The equipment circulates, and filters the pool or spa water.
Items Included:	Pool Mechanical Equipment
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Regularly maintained by a qualified and licensed technician.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	-Deterioration can occur from improper water chemical balance, and general wear and tear.

Reserve Component: Recreational Equipment - Fitness

Physical Description:	Recreational and Fitness equipment are provided for unit owner and tenant use. Over time this equipment will require replacement depending on its frequency of use.
Items Included:	Fitness Equipment
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Assumed to be replaced as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from general wear and tear.

Reserve Component: Recreational Equipment - Pool & Game Tables

Physical Description:	Recreational and Fitness equipment are provided for unit owner and tenant use. Over time this equipment will require replacement depending on its frequency of use.
Items Included:	Pool Table
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from general wear and tear.

Reserve Component: Pool Liner

Physical Description:	Pool Liners provide a waterproof barrier to hold water in the pool area. The liners can be made of various materials most common are vinyl liners, ceramic tile or paint on membranes.
Items Included:	Pool Liner
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Assumed to be functional. Exterior grout has minor cracks and discolouration, otherwise no issues. Recent repairs or replacement was completed in 2015.
Typical Life Expectancy:	12
Estimated Effective Age:	0
Estimated Remaining Life:	12
Potential Deterioration:	Deterioration can occur from water chemicals, expansion and contraction.

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Reserve Component: Room Modernization - Amenity Center

Physical Description:	Renovations to common property rooms or areas are commonly done due to aesthetic purposes and occasionally due to wear. Estimating the age at which the replacement may be done is subjective depending on the board and unit owners. An allowance is given in order to budget for this component.
Items Included:	Modernization of Amenity Centre
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Appears well maintained. board input requested on timing of modernization.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from physical damage, general wear.

Reserve Component: Room Modernization - Kitchen

Physical Description:	Renovations to common property rooms or areas are commonly done due to aesthetic purposes and occasionally due to wear. Estimating the age at which the replacement may be done is subjective depending on the board and unit owners. An allowance is given in order to budget for this component.
Items Included:	Kitchen Modernization
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Slightly dated, but appears well maintained. board input requested on timing of modernization.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from physical damage, general wear.

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Reserve Component: Room Modernization - Theatre

Physical Description:	Renovations to common property rooms or areas are commonly done due to aesthetic purposes and occasionally due to wear. Estimating the age at which the replacement may be done is subjective depending on the board and unit owners. An allowance is given in order to budget for this component.
Items Included:	Modernization of Theatre
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Appears well maintained. board input requested on timing of modernization.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage, general wear.

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Reserve Component: Concrete Works

Physical Description:	Concrete works are poured or pre-cast concrete that is not considered part of any building structure. This reserve provides for repairs to the foregoing components. As replacement of these reserve items is not typically required, this provision is for periodic repairs only. This is essentially a contingency reserve, which should be reviewed on a regular basis.
Items Included:	Walkways, Retaining Walls, Curbs, Pre-cast Steps
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Concrete was partially snow covered at the time of inspection. Normal cracking and spalling was observed in select areas. North building's steps were replaced circa 2015. Recommend repair or replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper installation or manufacturing, erosion, physical damage, excess use of salt or other corrosive materials, and settlement.

Reserve Component: Exterior Lighting

Physical Description:	Exterior lights provide illumination to common areas for owner and visitor safety.
Items Included:	Street/Walkway Lampposts or Bollards
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	General wear and tear, settlement, and water penetration.

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Reserve Component: Landscaping

Physical Description:	Landscaping includes site grading, lawns, trees, shrubs, and plants. This reserve provides for periodic replacement or removal of the above items.
Items Included:	Landscaping
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Water pooling areas were observed; no issues were reported however.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A

Reserve Component: Underground Services

Physical Description:

1. Sewer

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

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

2. Water

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

3. Electrical

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

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

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

Items Included:	Underground Services
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from settlement, and freeze thaw cycles.

Reserve Component: 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
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Roadways were snow covered at time of inspection. Assume minor cracking in high water traffic areas.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, freeze thaw cycles, chemical damage, and general wear.

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
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Roadways were snow covered at time of inspection. Assume minor cracking in high water traffic areas.
Typical Life Expectancy:	30
Estimated Effective Age:	12
Estimated Remaining Life:	18
Potential Deterioration:	Deterioration can occur from physical damage, improper installation, freeze thaw cycles, chemical damage, and general wear.

Reserve Component: Heated Parkade Ramps

Physical Description:	Heated parking ramps are installed to melt snow and ice to allow vehicles and pedestrians to safely enter parking structures. Heating is provided by either electric or hot water lines with an anti-freezing agent. The lines are run underneath the drive surface to provide a radiant heating effect. Over time these line can crack or fail resulting in system failure.
Items Included:	Heated Parkade Ramps
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Assumed to be functional.
Typical Life Expectancy:	35
Estimated Effective Age:	12
Estimated Remaining Life:	23
Potential Deterioration:	Deterioration can occur from improper installation, settlement, general wear, excessive downward force, and wear surface deterioration.

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Reserve Component: Signage

Physical Description:	Signage is used to display information about the complex. Signs can be constructed from metal, wood, stone, and composite materials. It may in most cases be replaced for aesthetic purposes.
Items Included:	Signage
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	25
Estimated Effective Age:	12
Estimated Remaining Life:	13
Potential Deterioration:	Deterioration can occur from wear and tear, physical damage, settling, and adverse weather conditions.

Reserve Component: Miscellaneous Components

Physical Description: All of these components could vary significantly in terms of their total life spans. Some may only require repairs during the 25-year study horizon. Others may require partial or total replacement during this same time period. Based on a visual non-invasive review, all of these components appeared to be in average condition as at the date of inspection. It was not possible to conduct tests or inspections of these components. Therefore, it is assumed that all of the foregoing items are in proper working order and in average condition. It is also assumed that no repairs are required at this time.

In order to recognize the variance in life expectancies and the types of reserve fund expenditures that may be required for all of the foregoing components, the analysis herein expensed the appropriate amount every five years during the study horizon. For purposes of this report, an expenditure for repairs and/or replacement of these various items, during the 25-year study horizon, was injected into each of the five-year planning blocks within the Cash Flow analysis.

Items Included: Miscellaneous Components

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

Observed Condition: Includes: building exterior lights, modified bitumen membrane, metal hand railings, signage.

Typical Life Expectancy: N/A

Estimated Effective Age: N/A

Estimated Remaining Life: N/A

Potential Deterioration: Varies

2. Financial Analysis

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

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

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

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

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

- B) A **Historical Reserve Fund Analysis** was prepared based on any provided current and prior year financial statements of the corporation. This document shows the history of contributions to and expenditures from the reserve fund. This analysis will reveal patterns within the reserve fund which will be used when the Projected Cash Flow Analysis is prepared.
- C) A recommended **Horizon Cash Flow Analysis** is prepared. This document incorporates the data contained in the Depreciation Component Analysis above with the Historical Reserve Fund Analysis discussed above. Both of these documents form the foundation for the recommended Horizon Plan Cash Flow Analysis. This latter document will determine where the reserve fund contributions should be set to ensure that there are no shortfalls within the reserve fund over the study horizon. Although the Depreciation Analysis is relied upon as a guide, the actual expenditures and closing balances of the fund are highly weighted in determining this analysis. Other factors involved are the condominium fees of the surrounding market, and the difference of costs on to future owners.
- D) **Planners Recommendations** are provided based on the analysis of the above three steps in order to sufficiently fund the Corporation. The recommendations are provided that the corporation can follow and/or implement in order to sustain the reserve fund including the process of annual updates as required by the Act.

RESERVE FUND REPORT
CROSSBOW POINT



Component Depreciation Analysis
Crossbow Point - Apartment
Includes Windows and Doors

July 25, 2016
Interest Rate (1st - 5 Years) : 1.60%
Interest Rate: 3.00%
Inflation Rate: 3.25%

■ -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 *
Foundations									
Concrete Foundations	N/A	N/A	N/A	\$53,200	\$118,349	\$2,128	\$4,456	\$113,893	\$2,330
Structure									
Waterproof Membranes	N/A	N/A	N/A	\$51,100	\$133,390	\$1,703	\$4,134	\$129,256	\$1,901
Balcony / Deck Hand Railings	20	15	5	\$244,100	\$286,430	\$183,075	\$198,197	\$88,233	\$16,300
Balcony Vinyl Membranes	20	12	8	\$339,000	\$437,845	\$203,400	\$240,620	\$197,225	\$20,840
Stairs and Treads - I	25	24	1	\$45,000	\$46,462	\$43,200	\$43,891	\$2,571	\$2,531
Stairs and Treads - II	25	21	4	\$35,000	\$39,777	\$29,400	\$31,327	\$8,450	\$1,983
Exterior									
Caulking	N/A	N/A	N/A	\$163,000	\$362,609	\$6,520	\$13,651	\$348,958	\$7,139
Stone Veneer	N/A	N/A	N/A	\$84,100	\$187,089	\$3,364	\$7,043	\$180,046	\$3,683
Stucco	N/A	N/A	N/A	\$62,600	\$139,260	\$2,504	\$5,243	\$134,017	\$2,742
Wood Siding	N/A	N/A	N/A	\$197,500	\$515,548	\$6,583	\$15,979	\$499,569	\$7,346
Wood Trim	N/A	N/A	N/A	\$87,200	\$193,985	\$3,488	\$7,303	\$186,682	\$3,819
Eaves & Downspouts	35	12	23	\$55,400	\$115,606	\$18,994	\$35,007	\$80,599	\$1,901
Exterior Doors - Entry & Common	35	12	23	\$42,500	\$88,687	\$14,571	\$26,856	\$61,831	\$1,459
Exterior Doors - Unit	30	12	18	\$163,800	\$291,296	\$65,520	\$104,166	\$187,130	\$6,539
Metal Fascia/Flashing	35	12	23	\$55,900	\$116,650	\$19,166	\$35,324	\$81,326	\$1,919
Painting: Wood - High Wear Sections	3	0	3	\$27,800	\$30,600	\$0	\$0	\$30,600	\$9,726
Painting: Wood - Normal Wear Sections	7	1	6	\$141,800	\$171,797	\$20,257	\$22,588	\$149,209	\$22,302
Soffits	35	12	23	\$188,400	\$393,145	\$64,594	\$119,051	\$274,094	\$6,466
Windows	35	12	23	\$794,900	\$1,658,761	\$272,537	\$502,301	\$1,156,460	\$27,281
Roofing									
Concrete Tile	N/A	N/A	N/A	\$192,000	\$1,308,292	\$3,200	\$18,853	\$1,289,439	\$3,906
Interior									
Interior Doors - Common	N/A	N/A	N/A	\$33,100	\$86,403	\$1,103	\$2,677	\$83,726	\$1,231
Interior Doors - Unit	N/A	N/A	N/A	\$24,000	\$62,649	\$800	\$1,942	\$60,707	\$893
Flooring: Carpet	10	3	7	\$213,800	\$267,447	\$64,140	\$73,667	\$193,780	\$24,103
Flooring: Ceramic Tile	30	12	18	\$84,700	\$150,628	\$33,880	\$53,864	\$96,764	\$3,381
Flooring: Vinyl	25	12	13	\$8,500	\$12,882	\$4,080	\$5,595	\$7,287	\$409
Mailboxes	25	12	13	\$14,200	\$21,521	\$6,816	\$9,347	\$12,174	\$683
Painting: Interior	10	3	7	\$58,300	\$72,929	\$17,490	\$20,088	\$52,841	\$6,572
Elevators									
Elevator Cab Refurbish	30	11	19	\$60,000	\$110,170	\$22,000	\$36,025	\$74,145	\$2,383
Elevator(s)	30	11	19	\$405,000	\$743,646	\$148,500	\$243,173	\$500,473	\$16,086
Mechanical/Safety									
Air Conditioner	N/A	N/A	N/A	\$54,600	\$103,513	\$2,730	\$4,931	\$98,582	\$2,922
Make-up Air Unit(s) - Hallway & Parkade Repairs	N/A	N/A	N/A	\$22,500	\$50,053	\$900	\$1,884	\$48,169	\$985
Plumbing & Heating - Pumps and Supporting Equipment	N/A	N/A	N/A	\$34,400	\$76,526	\$1,376	\$2,881	\$73,645	\$1,507
Plumbing & Heating Systems - Piping	N/A	N/A	N/A	\$153,600	\$341,698	\$6,144	\$12,864	\$328,834	\$6,727
Access Intercom	30	12	18	\$22,500	\$40,013	\$9,000	\$14,308	\$25,705	\$898
Annunciator Panel	30	11	19	\$25,500	\$46,822	\$9,350	\$15,310	\$31,512	\$1,013
Boiler(s)	25	12	13	\$110,000	\$166,711	\$52,800	\$72,410	\$94,301	\$5,289
Furnace(s) - Hallway Make Up Air Units	30	12	18	\$18,000	\$32,011	\$7,200	\$11,447	\$20,564	\$719
Hot Water Heater I	10	9	1	\$18,000	\$18,585	\$16,200	\$16,459	\$2,126	\$2,093
Hot Water Heater II	10	9	1	\$18,000	\$18,585	\$16,200	\$16,459	\$2,126	\$2,093
Make-up Air Unit(s) - Parkade Replacement	40	12	28	\$50,000	\$122,431	\$15,000	\$32,049	\$90,382	\$1,511

* See Glossary at the end for details.

**RESERVE FUND REPORT
CROSSBOW POINT**

Electrical									
Electrical Systems	N/A	N/A	N/A	\$41,400	\$92,098	\$1,656	\$3,467	\$88,631	\$1,813
Security Door System	N/A	N/A	N/A	\$40,000	\$88,984	\$1,600	\$3,350	\$85,634	\$1,752
Interior Lighting - Hallway	30	12	18	\$71,000	\$126,264	\$28,400	\$45,152	\$81,112	\$2,834
Interior Lighting - Parkade	30	12	18	\$76,800	\$136,578	\$30,720	\$48,840	\$87,738	\$3,066
Professional Fees									
Consulting Services	N/A	N/A	N/A	\$37,500	\$83,422	\$1,500	\$3,141	\$80,281	\$1,642
Reserve Fund Study	5	0	5	\$6,100	\$7,158	\$0	\$0	\$7,158	\$1,322
Specialties									
Chairs	N/A	N/A	N/A	\$60,000	\$133,476	\$2,400	\$5,025	\$128,451	\$2,628
Pool Mechanical Equipment	N/A	N/A	N/A	\$31,500	\$70,075	\$1,260	\$2,638	\$67,437	\$1,380
Recreational Equipment - Fitness	N/A	N/A	N/A	\$30,000	\$66,738	\$1,200	\$2,513	\$64,225	\$1,314
Recreational Equipment - Pool & Game Tables	N/A	N/A	N/A	\$24,000	\$53,390	\$960	\$2,010	\$51,380	\$1,051
Pool Liner	12	0	12	\$17,200	\$25,247	\$0	\$0	\$25,247	\$1,580
Rooms Modernization - Amenity Center	25	12	13	\$82,900	\$125,639	\$39,792	\$54,571	\$71,068	\$3,986
Room Modernization - Kitchen	25	12	13	\$63,800	\$96,692	\$30,624	\$41,998	\$54,694	\$3,068
Room Modernization - Theatre	30	12	18	\$42,200	\$75,047	\$16,880	\$26,836	\$48,211	\$1,685
Site									
Concrete Works	N/A	N/A	N/A	\$33,100	\$73,634	\$1,324	\$2,772	\$70,862	\$1,450
Exterior Lighting	N/A	N/A	N/A	\$12,000	\$26,695	\$480	\$1,005	\$25,690	\$526
Landscaping	N/A	N/A	N/A	\$88,700	\$197,322	\$3,548	\$7,429	\$189,893	\$3,885
Underground Services	N/A	N/A	N/A	\$27,500	\$61,176	\$1,100	\$2,303	\$58,873	\$1,204
Asphalt Paving - Complete Lift	30	12	18	\$68,500	\$121,818	\$27,400	\$43,561	\$78,257	\$2,735
Asphalt Paving - Repairs	30	12	18	\$68,500	\$121,818	\$27,400	\$43,561	\$78,257	\$2,735
Heated Parkade Ramps	35	12	23	\$71,100	\$148,368	\$24,377	\$44,929	\$103,439	\$2,440
Miscellaneous/Contingencies									
Loan Payments/ Bank Charges	N/A	N/A	N/A	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Components	N/A	N/A	N/A	\$32,800	\$72,967	\$1,312	\$2,747	\$70,220	\$1,437
TOTALS: 100% FUNDED *				\$5,479,600	\$11,185,407	\$1,643,046	\$2,471,218	\$8,714,189	\$279,144
TOTALS: 75% FUNDED *				--	--	\$1,232,885	--	--	\$209,358

* See Glossary at the end for details.

RESERVE FUND REPORT
CROSSBOW POINT

Component Depreciation Analysis Summary

- 1) Current Replacement Costs of Reserve Components**.....\$5,479,600

This is the sum total 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**\$ 11,185,407

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**.....\$ 1,643,846

These are reserve fund estimates based on the notion of effective age. This is the amount that should have been contributed by unit owners. This is the amount that the corporation would have in its reserve fund at the end of the first forecast year if it were fully funded. Any surplus-deficiency will be addressed in the funding analysis over the horizon of the budgeting study. These reserve funds should be held by the corporation and invested in the appropriate securities.
- 4) Future Reserve Fund Accumulations**\$ 2,471,218

These are the current reserve fund requirements together with compound interest over the remaining life spans of the components.
- 5) Future Reserve Fund Requirements**.....\$8,714,189

These are the amounts to be funded by the unit owners to the reserve fund plus any interest earned.
- 6) Annual Reserve Fund Assessments**.....\$ 279,144

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

Notice

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

RESERVE FUND REPORT
CROSSBOW POINT

Historical Reserve Fund Analysis

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

The financial statements for the fiscal years:.....	2015-2011
The budget statement for the fiscal year ending:	August 31, 2016

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

The Corporation's Estimated Reserve Fund Balance as of August 31, 2016: \$ 554,095

RESERVE FUND REPORT
CROSSBOW POINT



Historical Analysis
Crossbow Point - Apartment

July 25, 2016

Year End	8/31/2016	8/31/2015	8/31/2014	8/31/2013	8/31/2012	8/31/2011
Opening Balance	\$494,787	\$450,963	\$447,880	\$362,085	\$262,938	\$220,962
Contributions	\$193,800	\$190,000		\$120,000	\$100,000	\$65,000
Additional Allocations				(\$35,709)	\$46,448	
Interest Income	\$6,000	\$5,832	\$6,070	\$4,300	\$4,636	\$3,483
Special Assessments						
Reserve Components						
Concrete Foundations						
Waterproof Membranes						
Balcony / Deck Hand Railings	\$20,018	\$29,295				
Balcony Vinyl Membranes	\$19,128					
Stairs and Treads - I		\$88,000				
Stairs and Treads - II						
Caulking						
Stone Veneer						
Stucco						
Wood Siding						
Wood Trim	\$20,000				\$25,000	
Eaves & Downspouts						
Exterior Doors - Entry & Common						
Exterior Doors - Unit						
Metal Fascia/Flashing						
Painting: Wood - High Wear Sections	\$29,242					
Painting: Wood - Normal Wear Sections					\$25,988	\$25,987
Soffits						
Windows						
Concrete Tile						
Interior Doors - Common						
Interior Doors - Unit						
Flooring: Carpet						
Flooring: Ceramic Tile						
Flooring: Vinyl						
Mailboxes						
Painting: Interior						
Elevator Cab Refurbish						
Elevator(s)						
Air Conditioner	\$5,916					
Make-up Air Unit(s) - Hallway & Parkade	\$5,500					
Repairs						
Plumbing & Heating - Pumps and Supporting Equipment			\$2,987			
Plumbing & Heating Systems - Piping						
Access Intercom						
Annunciator Panel						
Boiler(s)						
Furnace(s) - Hallway Make Up Air Units						
Hot Water Heater I						
Hot Water Heater II						
Make-up Air Unit(s) - Parkade Replacement						
Electrical Systems						
Security Door System						
Interior Lighting - Hallway						
Interior Lighting - Parkade						
Consulting Services		\$2,716			\$528	\$520

RESERVE FUND REPORT
CROSSBOW POINT



**Historical Analysis
Crossbow Point - Apartment**

July 25, 2016

Reserve Fund Study	\$5,188					
Chattels						
Pool Mechanical Equipment	\$5,317					
Recreational Equipment - Fitness						
Recreational Equipment - Pool & Game Tables						
Pool Liner	\$17,216					
Room Modernization - Amenity Center	\$35,500					
Room Modernization - Kitchen						
Room Modernization - Theatre	\$9,464					
Concrete Works						
Exterior Lighting						
Landscaping						
Underground Services						
Asphalt Paving - Complete Lift						
Asphalt Paving - Repairs						
Heated Parkade Ramps						
Loan Payments/ Bank Charges				\$25		
Miscellaneous Components				\$2,771		
Total Expenditures	\$140,492	\$152,008	\$2,987	\$2,796	\$51,936	\$26,507
Closing Balance	\$554,095	\$494,787	\$450,963	\$447,880	\$362,086	\$262,938
Operating And Reserve Contributions	\$772,500	\$750,000	\$680,000	\$620,000	\$580,000	\$580,000
Planned Reserve Contributions	\$193,800	\$190,000		\$120,000	\$100,000	\$65,000
Operating Budget	\$578,700	\$560,000	\$680,000	\$500,000	\$480,000	\$515,000
Avg Condo Fee Per Month	\$565	\$548	\$497	\$453	\$424	\$424
Avg Percent Of Condo Fees Per Month	25.1%	25.3%	0%	19.4%	17.2%	11.2%

Horizon Cash Flow Analysis (Recommended)

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

Opening Balances

This is the reserve fund position at the beginning of each 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

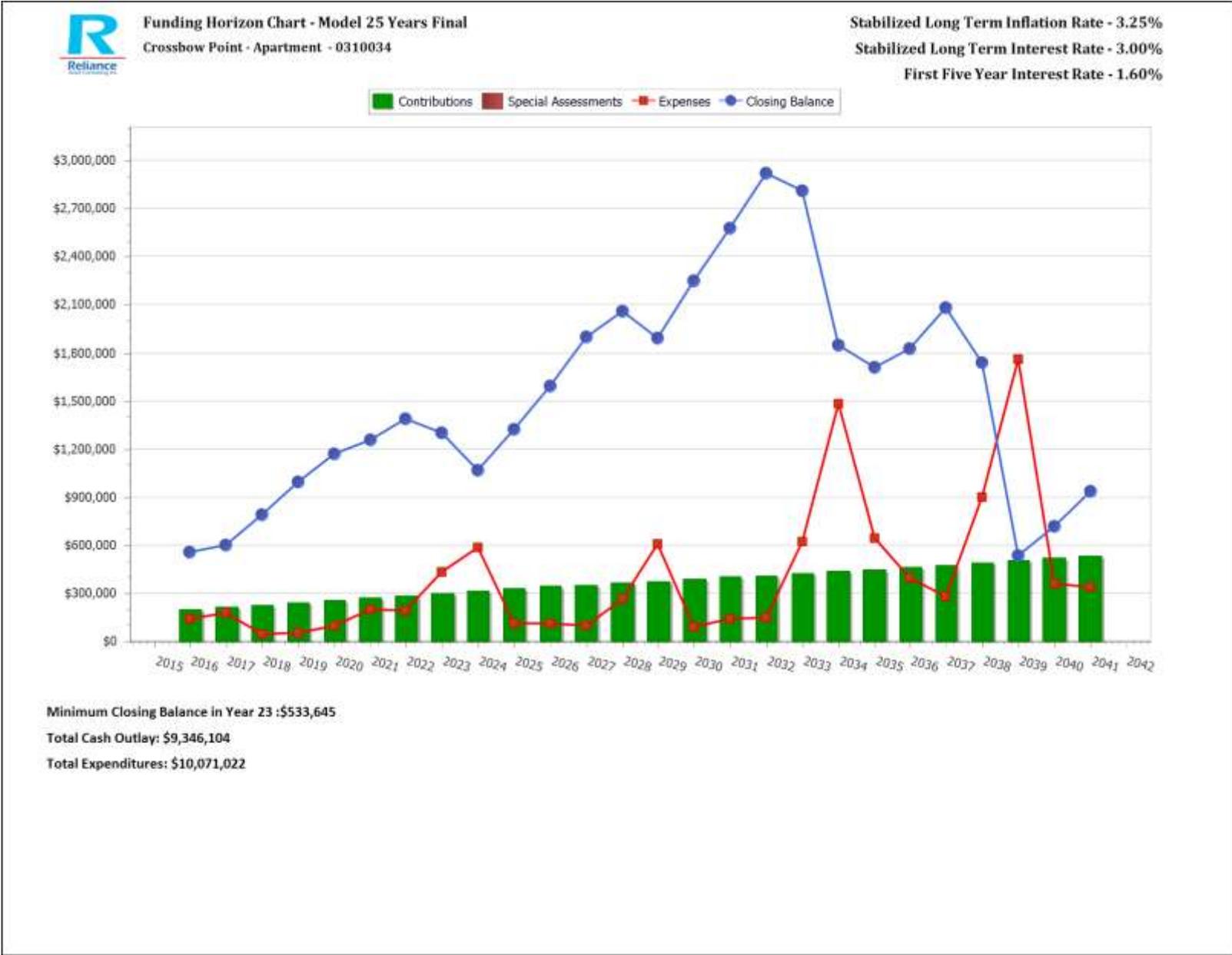
This amount is equal to the Total Cash Resources minus the Total Expenditures. This amount is carried forward to the next fiscal year as the Opening Balance.

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 that years closing balance by the reserve fund requirement.

Percent funding levels are shown to help the corporation gauge their current position in regards 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 25-year funding horizon. Lower percent funding levels may be utilized that will sufficiently fund the plan. These models may result in increases to the reserve fund contributions and increase the chances of special assessments as the project ages. Depending on the nature of the complex a lower percent funding model may provide for adequate funding where most common expenses do not occur in a short span of time. The provided cash flows will more accurately reflect each individual complex's requirements.

RESERVE FUND REPORT
CROSSBOW POINT



RESERVE FUND REPORT
CROSSBOW POINT



Short Term Interest Rate (Years 1-5): **1.60%**

Long Term Interest Rate: **3.00%**

Inflation Rate: **3.25%**

Crossbow Point - Apartment -0310034
25 Years - Reserve Fund Horizon Schedule

Year	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Sep-16	\$554,095	\$209,304	\$0	\$8,866	\$173,832	\$598,433	31-Aug-17
2	01-Sep-17	\$598,433	\$224,000	\$0	\$9,575	\$40,800	\$791,208	31-Aug-18
3	01-Sep-18	\$791,208	\$239,700	\$0	\$12,659	\$53,000	\$990,567	31-Aug-19
4	01-Sep-19	\$990,567	\$256,500	\$0	\$15,849	\$97,577	\$1,165,339	31-Aug-20
5	01-Sep-20	\$1,165,339	\$269,300	\$0	\$18,645	\$198,601	\$1,254,683	31-Aug-21
6	01-Sep-21	\$1,254,683	\$282,800	\$0	\$37,640	\$186,788	\$1,388,335	31-Aug-22
7	01-Sep-22	\$1,388,335	\$296,900	\$0	\$41,650	\$428,211	\$1,298,674	31-Aug-23
8	01-Sep-23	\$1,298,674	\$311,700	\$0	\$38,960	\$582,545	\$1,066,789	31-Aug-24
9	01-Sep-24	\$1,066,789	\$327,300	\$0	\$32,004	\$106,236	\$1,319,857	31-Aug-25
10	01-Sep-25	\$1,319,857	\$343,700	\$0	\$39,596	\$109,299	\$1,593,854	31-Aug-26
11	01-Sep-26	\$1,593,854	\$354,000	\$0	\$47,816	\$95,130	\$1,900,540	31-Aug-27
12	01-Sep-27	\$1,900,540	\$364,600	\$0	\$57,016	\$262,100	\$2,060,056	31-Aug-28
13	01-Sep-28	\$2,060,056	\$375,500	\$0	\$61,802	\$603,047	\$1,894,311	31-Aug-29
14	01-Sep-29	\$1,894,311	\$386,800	\$0	\$56,829	\$87,950	\$2,249,990	31-Aug-30
15	01-Sep-30	\$2,249,990	\$398,400	\$0	\$67,500	\$135,414	\$2,580,476	31-Aug-31
16	01-Sep-31	\$2,580,476	\$410,400	\$0	\$77,414	\$146,600	\$2,921,690	31-Aug-32
17	01-Sep-32	\$2,921,690	\$422,700	\$0	\$87,651	\$621,855	\$2,810,186	31-Aug-33
18	01-Sep-33	\$2,810,186	\$435,400	\$0	\$84,306	\$1,481,890	\$1,848,002	31-Aug-34
19	01-Sep-34	\$1,848,002	\$448,500	\$0	\$55,440	\$640,369	\$1,711,573	31-Aug-35
20	01-Sep-35	\$1,711,573	\$462,000	\$0	\$51,347	\$396,330	\$1,828,590	31-Aug-36
21	01-Sep-36	\$1,828,590	\$475,900	\$0	\$54,858	\$280,926	\$2,078,422	31-Aug-37
22	01-Sep-37	\$2,078,422	\$490,200	\$0	\$62,353	\$895,550	\$1,735,425	31-Aug-38
23	01-Sep-38	\$1,735,425	\$504,900	\$0	\$52,063	\$1,758,743	\$533,645	31-Aug-39
24	01-Sep-39	\$533,645	\$520,000	\$0	\$16,009	\$354,307	\$715,347	31-Aug-40
25	01-Sep-40	\$715,347	\$535,600	\$0	\$21,460	\$333,922	\$938,485	31-Aug-41

RESERVE FUND REPORT
CROSSBOW POINT

 Projected Cash Flow - Model 25 Years Final Crossbow Point - Apartment - 0310034		Stabilized Long Term Inflation Rate - 3.25% Stabilized Long Term Interest Rate - 3.00% First Five Year Interest Rate - 1.60%								
		9/1/2015	9/1/2016	9/1/2017	9/1/2018	9/1/2019	9/1/2020	9/1/2021	9/1/2022	9/1/2023
Year Beginning										
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$494,787	\$554,095	\$598,433	\$791,208	\$990,567	\$1,165,339	\$1,254,683	\$1,388,335	\$1,298,674	\$1,066,789
Planned Contributions	\$193,800	\$209,304	\$224,000	\$239,700	\$256,500	\$269,300	\$282,800	\$296,900	\$311,700	\$327,300
Additional Allocations										
Interest Income	\$6,000	\$8,866	\$9,575	\$12,659	\$15,849	\$18,645	\$37,640	\$41,650	\$38,960	\$32,004
Special Assessments		\$0								
Cash Resources	\$694,587	\$772,265	\$832,008	\$1,043,567	\$1,262,916	\$1,453,284	\$1,575,123	\$1,726,885	\$1,649,334	\$1,426,093
Reserve Components										
Concrete Foundations		\$13,750								\$17,750
Waterproof Membranes		\$17,600								
Balcony / Deck Hand Railings	\$20,018	\$25,200	\$26,000	\$26,850	\$27,750	\$28,643	\$29,550	\$30,550	\$31,550	\$32,550
Balcony Vinyl Membranes	\$19,128								\$437,845	
Stairs and Treads - I		\$46,462								
Stairs and Treads - II					\$39,777					
Caulking		\$33,650						\$40,800		
Stone Veneer								\$26,300		
Stucco								\$19,600		
Wood Siding						\$33,100				
Wood Trim	\$20,000					\$17,050				
Eaves & Downspouts										
Exterior Doors - Entry & Common										
Exterior Doors - Unit										
Metal Fascia/Flashing										
Painting: Wood - High Wear Sections	\$29,242		\$14,800	\$15,300		\$16,300	\$16,840		\$17,950	\$18,536
Painting: Wood - Normal Wear Sections						\$83,200	\$85,898			
Soffits										
Windows										
Concrete Tile									\$31,000	
Interior Doors - Common										
Interior Doors - Unit										
Flooring: Carpet								\$267,447		
Flooring: Ceramic Tile										
Flooring: Vinyl										
Mailboxes										
Painting: Interior							\$35,300	\$36,464		
Elevator Cab Refurbish										
Elevator(s)										
Air Conditioner	\$5,916									\$24,250
Make-up Air Unit(s) - Hallway & Parkade	\$5,500							\$7,050		
Repairs										
Plumbing & Heating - Pumps and Supporting Equipment						\$6,750				
Plumbing & Heating Systems - Piping					\$24,950				\$28,350	
Access Intercom										
Annunciator Panel										
Boiler(s)										
Furnace(s) - Hallway Make Up Air Units										
Hot Water Heater I		\$18,585								

RESERVE FUND REPORT
CROSSBOW POINT

Hot Water Heater II		\$18,585								
Make-up Air Unit(s) - Parkade Replacement										
Electrical Systems										
Security Door System										
Interior Lighting - Hallway										
Interior Lighting - Parkade										
Consulting Services										
Reserve Fund Study	55,188					\$7,158				
Chattels									\$19,350	
Pool Mechanical Equipment				\$5,100					\$5,800	
Recreational Equipment - Fitness							\$7,250			
Recreational Equipment - Pool & Game Tables										
Pool Liner										
Room Modernization - Amenity Center	\$35,500									
Room Modernization - Kitchen										
Room Modernization - Theatre										
Concrete Works									\$10,700	
Exterior Lighting										
Landscaping				\$10,850			\$11,950			\$13,150
Underground Services										
Asphalt Paving - Complete Lift										
Asphalt Paving - Repairs										
Heated Parkade Ramps										
Loan Payments/ Bank Charges										
Miscellaneous Components						\$6,400				
Total Expenses	\$140,492	\$173,832	\$40,800	\$53,000	\$97,577	\$198,601	\$186,788	\$428,211	\$582,545	\$106,236
Closing Balance	\$554,095	\$598,433	\$791,208	\$990,567	\$1,165,339	\$1,254,683	\$1,388,335	\$1,298,674	\$1,066,789	\$1,319,857
Planned Contributions	\$193,800	\$209,304	\$224,000	\$239,700	\$256,500	\$269,300	\$282,800	\$296,900	\$311,700	\$327,300
Prev Year Contributions		\$193,800	\$209,304	\$224,000	\$239,700	\$256,500	\$269,300	\$282,800	\$296,900	\$311,700
Avg Inc. Per Unit Per Month	\$0	\$11	\$11	\$12	\$12	\$9	\$10	\$10	\$11	\$11
Percent Funded -Max Level 57.3%	34%	34%	39%	43%	45%	46%	48%	45%	39%	43%
Contribution Increase	\$193,800	\$15,504	\$14,696	\$15,700	\$16,800	\$12,800	\$13,500	\$14,100	\$14,800	\$15,600
Year End	8/31/2016	8/31/2017	8/31/2018	8/31/2019	8/31/2020	8/31/2021	8/31/2022	8/31/2023	8/31/2024	8/31/2025

RESERVE FUND REPORT
CROSSBOW POINT

 Projected Cash Flow - Model 25 Years Final Crossbow Point - Apartment - 0310034		Stabilized Long Term Inflation Rate - 3.25% Stabilized Long Term Interest Rate - 3.00% First Five Year Interest Rate - 1.60%									
		9/1/2025	9/1/2026	9/1/2027	9/1/2028	9/1/2029	9/1/2030	9/1/2031	9/1/2032	9/1/2033	9/1/2034
Year Beginning	Year	10	11	12	13	14	15	16	17	18	19
Opening Balance		\$1,319,857	\$1,593,854	\$1,900,540	\$2,060,056	\$1,894,311	\$2,249,990	\$2,580,476	\$2,921,690	\$2,810,186	\$1,848,002
Planned Contributions		\$343,700	\$354,000	\$364,600	\$375,500	\$386,800	\$398,400	\$410,400	\$422,700	\$435,400	\$448,500
Additional Allocations											
Interest Income		\$39,596	\$47,816	\$57,016	\$61,802	\$56,829	\$67,500	\$77,414	\$87,651	\$84,306	\$55,440
Special Assessments											
Cash Resources		\$1,703,153	\$1,985,670	\$2,322,156	\$2,487,358	\$2,337,940	\$2,715,890	\$3,068,290	\$3,432,041	\$3,329,892	\$2,351,942
Reserve Components											
Concrete Foundations								\$22,900			
Waterproof Membranes			\$24,200								
Balcony / Deck Hand Railings											
Balcony Vinyl Membranes											
Stairs and Treads - I											
Stairs and Treads - II											
Caulking					\$49,400						\$59,850
Stone Veneer						\$32,900					
Stucco						\$24,500					
Wood Siding		\$38,850					\$45,600				
Wood Trim		\$20,000					\$23,500				
Eaves & Downspouts											
Exterior Doors - Entry & Common											
Exterior Doors - Unit								\$141,050		\$145,648	
Metal Fascia/Flashing											
Painting: Wood - High Wear Sections			\$19,750	\$20,400		\$21,750	\$22,458		\$23,950	\$24,720	
Painting: Wood - Normal Wear Sections				\$104,050	\$107,452						\$130,200
Soffits											
Windows											
Concrete Tile								\$40,050			
Interior Doors - Common											
Interior Doors - Unit											
Flooring: Carpet									\$368,247		
Flooring: Ceramic Tile										\$150,628	
Flooring: Vinyl					\$12,882						
Mailboxes					\$21,521						
Painting: Interior								\$48,650	\$50,208		
Elevator Cab Refurbish										\$53,350	\$55,085
Elevator(s)										\$360,100	\$371,823
Air Conditioner										\$32,350	
Make-up Air Unit(s) - Hallway & Parkade Repairs						\$8,800					
Plumbing & Heating - Pumps and Supporting Equipment		\$7,900						\$9,250			
Plumbing & Heating Systems - Piping				\$32,200				\$36,600			
Access Intercom										\$40,013	
Annunciator Panel										\$22,650	\$23,411
Boiler(s)					\$166,711						
Furnace(s) - Hallway Make Up Air Units								\$15,500	\$16,006		
Hot Water Heater I			\$25,590								

RESERVE FUND REPORT
CROSSBOW POINT

Hot Water Heater II		\$25,590								
Make-up Air Unit(s) - Parkade Replacement										
Electrical Systems			\$20,250							
Security Door System	\$18,350									
Interior Lighting - Hallway									\$126,264	
Interior Lighting - Parkade									\$136,578	
Consulting Services			\$18,350							
Reserve Fund Study	\$8,399					\$9,856				
Chattels				\$22,750						\$26,700
Pool Mechanical Equipment			\$6,600				\$7,500			
Recreational Equipment - Fitness			\$8,800							\$10,650
Recreational Equipment - Pool & Game Tables			\$11,750							
Pool Liner			\$25,247							
Room Modernization - Amenity Center				\$125,639						
Room Modernization - Kitchen				\$96,692						
Room Modernization - Theatre										\$75,047
Concrete Works							\$13,800			
Exterior Lighting	\$8,250									
Landscaping			\$14,450			\$15,900				\$17,550
Underground Services										
Asphalt Paving - Complete Lift										\$121,818
Asphalt Paving - Repairs										\$121,818
Heated Parkade Ramps										
Loan Payments/ Bank Charges										
Miscellaneous Components	\$7,550					\$8,850				
Total Expenses	\$109,299	\$95,130	\$262,100	\$603,047	\$87,950	\$135,414	\$146,600	\$621,855	\$1,481,890	\$640,369
Closing Balance	\$1,593,854	\$1,900,540	\$2,060,056	\$1,894,311	\$2,249,990	\$2,580,476	\$2,921,690	\$2,810,186	\$1,848,002	\$1,711,573
Planned Contributions	\$343,700	\$354,000	\$364,600	\$375,500	\$386,800	\$398,400	\$410,400	\$422,700	\$435,400	\$448,500
Prev Year Contributions	\$327,300	\$343,700	\$354,000	\$364,600	\$375,500	\$386,800	\$398,400	\$410,400	\$422,700	\$435,400
Avg Inc. Per Unit Per Month	\$12	\$8	\$8	\$8	\$8	\$9	\$9	\$9	\$9	\$10
Percent Funded -Max Level 57.3%	47%	51%	52%	49%	53%	55%	57%	56%	44%	42%
Contribution Increase	\$16,400	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$12,000	\$12,300	\$12,700	\$13,100
Year End	8/31/2026	8/31/2027	8/31/2028	8/31/2029	8/31/2030	8/31/2031	8/31/2032	8/31/2033	8/31/2034	8/31/2035

RESERVE FUND REPORT
CROSSBOW POINT

 Projected Cash Flow - Model 25 Years Final Crossbow Point - Apartment - 0310034		Stabilized Long Term Inflation Rate - 3.25%				
		Stabilized Long Term Interest Rate - 3.00%				
		First Five Year Interest Rate - 1.60%				
Year Beginning	9/1/2035	9/1/2036	9/1/2037	9/1/2038	9/1/2039	9/1/2040
Year	20	21	22	23	24	25
Opening Balance	\$1,711,573	\$1,828,590	\$2,078,422	\$1,735,425	\$533,645	\$715,347
Planned Contributions	\$462,000	\$475,900	\$490,200	\$504,900	\$520,000	\$535,600
Additional Allocations						
Interest Income	\$51,347	\$54,858	\$62,353	\$52,063	\$16,009	\$21,460
Special Assessments						
Cash Resources	\$2,224,920	\$2,359,348	\$2,630,975	\$2,292,388	\$1,069,654	\$1,272,407
Reserve Components						
Concrete Foundations						\$29,600
Waterproof Membranes		\$33,350				
Balcony / Deck Hand Railings	\$46,300	\$47,800	\$49,350	\$50,950	\$52,600	\$54,302
Balcony Vinyl Membranes						
Stairs and Treads - I						
Stairs and Treads - II						
Caulking						\$72,500
Stone Veneer		\$41,150				
Stucco		\$30,650				
Wood Siding	\$53,500					\$62,750
Wood Trim	\$27,550					\$32,350
Eaves & Downspouts				\$115,606		
Exterior Doors - Entry & Common			\$42,950	\$44,344		
Exterior Doors - Unit						
Metal Fascia/Flashing				\$116,650		
Painting: Wood - High Wear Sections	\$26,350	\$27,208		\$29,000	\$29,948	
Painting: Wood - Normal Wear Sections	\$134,415					
Soffits				\$393,145		
Windows			\$803,250	\$829,380		
Concrete Tile					\$51,700	
Interior Doors - Common						
Interior Doors - Unit						
Flooring: Carpet						
Flooring: Ceramic Tile						
Flooring: Vinyl						
Mailboxes						
Painting: Interior						
Elevator Cab Refurbish						
Elevator(s)						
Air Conditioner						
Make-up Air Unit(s) - Hallway & Parkade		\$11,000				
Repairs						
Plumbing & Heating - Pumps and Supporting Equipment	\$10,850					\$12,750
Plumbing & Heating Systems - Piping	\$41,600				\$47,300	
Access Intercom						
Annunciator Panel						
Boiler(s)						
Furnace(s) - Hallway Make Up Air Units						
Hot Water Heater I		\$35,234				

RESERVE FUND REPORT
CROSSBOW POINT

Hot Water Heater II		\$35,234				
Make-up Air Unit(s) - Parkade Replacement						
Electrical Systems					\$29,750	
Security Door System	\$25,300					
Interior Lighting - Hallway						
Interior Lighting - Parkade						
Consulting Services					\$26,950	
Reserve Fund Study	\$11,565					\$13,570
Chattels				\$31,300		
Pool Mechanical Equipment	\$8,550				\$9,700	
Recreational Equipment - Fitness					\$12,950	
Recreational Equipment - Pool & Game Tables					\$17,250	
Pool Liner					\$37,059	
Room Modernization - Amenity Center						
Room Modernization - Kitchen						
Room Modernization - Theatre						
Concrete Works					\$17,850	
Exterior Lighting						\$13,350
Landscaping		\$19,300			\$21,250	
Underground Services						\$30,600
Asphalt Paving - Complete Lift						
Asphalt Paving - Repairs						
Heated Parkade Ramps				\$148,368		
Loan Payments/ Bank Charges						
Miscellaneous Components	\$10,350					\$12,150
Total Expenses	\$396,330	\$280,926	\$895,550	\$1,758,743	\$354,307	\$333,922
Closing Balance	\$1,828,590	\$2,078,422	\$1,735,425	\$533,645	\$715,347	\$938,485
Planned Contributions	\$462,000	\$475,900	\$490,200	\$504,900	\$520,000	\$535,600
Prev Year Contributions	\$448,500	\$462,000	\$475,900	\$490,200	\$504,900	\$520,000
Avg Inc. Per Unit Per Month	\$10	\$10	\$11	\$11	\$11	\$11
Percent Funded -Max Level 57.3%	42%	45%	40%	16%	20%	24%
Contribution Increase	\$13,500	\$13,900	\$14,300	\$14,700	\$15,100	\$15,600
Year End	8/31/2036	8/31/2037	8/31/2038	8/31/2039	8/31/2040	8/31/2041

Planners Recommendations

The Horizon Plan Cash Flow Analysis projection(s) provided herein represents only one example of a scenario and is not intended to be the only one that a board may rely on as an acceptable plan. The board must, after reviewing the reserve fund report and using it as a guide, must determine how they are to account for their future funding requirements using the recommendations of this study.

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

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

RESERVE FUND REPORT
CROSSBOW POINT

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

NOTICE: Failure to implement an appropriate reserve fund strategy will result in large special assessments in the future when major repairs and replacements have to be carried out.

Corporations Reserve Fund Plan

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

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

(a) under which a reserve fund is to be established, if one has not already been established, and

(b) setting forth the method of and amounts needed for funding and maintaining the reserve fund.

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

Planners Qualifications

Harold D. Weidman, CRP

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

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

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

Daniel B. Jablonski, CRP

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

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

Planners Certification

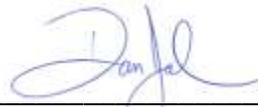
**CROSSBOW POINT
155, 165, AND 175 CROSSBOW PLACE
CANMORE, ALBERTA
CONDOMINIUM #0310034**

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

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



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



Daniel B. Jablonski, CRP

Report Date: July 29, 2016