Overview of the 2025 Depreciation Report Eagle Ridge Estates

Regulatory Requirements

The British Columbia Strata Property Act mandates that a new Depreciation Report must be obtained every five years. The most recent Depreciation Report (DR) for the Eagle Ridge strata was completed late in 2025.

Purpose and Nature of Depreciation Reports

Depreciation Report's are prepared by firms authorized by the Province of British Columbia to conduct these assessments. The report serves as a "snapshot in time," capturing the condition of the strata as evaluated by the report authors at a specific date.

- Provides a "snapshot" of the strata as observed by the report's authors as of a certain date.
- Offers a valuable collection of information and professional opinion regarding the physical components of the strata.

It is important to note that the DR is not a prescriptive document; it does not dictate actions to the strata but rather provides guidance and insight.

Asset Management Initiatives

Eagle Ridge Estates recognizes the importance of ongoing maintenance, repair, and replacement of our community's components in order to maximize the lifespan of collective assets. To support these efforts, Eagle Ridge Estates has engaged a company specializing in asset management to assist in our ability to manage when and how major assets are maintained or replaced.

DEPRECIATION REPORT UPDATE

FOR

EAGLE RIDGE ESTATES

1255 WAIN ROAD, NORTH SAANICH

PREPARED FOR:

The Owners, Strata Plan VIS 1579
1255 Wain Road
North Saanich, BC V8L 4R4

Attention: Dave Saunders, Strata Representative

PREPARED BY:

Sense Engineering Ltd.
631 Granrose Terrace
Victoria, BC V9C 4M3

Attention: Matias Kollinger, EIT and Dan Walters, AScT, LEED AP

October 29, 2025

Sense's Project No. 25iA005A

sense engineering

EXECUTIVE SUMMARY

Eagle Ridge Estates consists of 75 two-storey townhomes in 25 clustered pods constructed between 1987 and 1991 spread over a 75 acre site. Each unit is constructed over a crawlspace and includes an attached garage. Each unit has a main deck and some also have an upper deck.

Figure 1: Eagle Ridge Estates, aerial image (image via Google)

The property and buildings have been reasonably well maintained over the years. Significant work completed in recent years includes:

- 2024: Rehabilitated septic field at Pod Y and completed repairs to main deck structures.
- 2022: Replaced one septic tank at Pod D.
- 2021: Repaired flat roofs with a liquid applied waterproofing product, purchased tractor and wood chipper and replaced perimeter drainage at Pod S.
- 2020: Repaired flat roofs with a liquid applied waterproofing product and replaced service gate.

You will note that the following projects and investigations are recommended in the next three years:

2026 $97,850	<u>4.1 Site Features and Paving</u> Replace Post and Wire Fencing (Phased) – $87,550 Pond Timber Retaining Wall Repair Allowance – $10,300
2027 $440,274	<u>1.2 Main Decks</u> Periodic Main Deck Repair Allowance – $21,218 <u>2.5 Roofing</u> Re-waterproof Upper Decks and Replace Railings – $312,966
	<u>4.1 Site Features and Paving</u> Driveway/Entrance Unit Paving Renewal Allowance – $106,090
2028 $114,736	<u>4.1 Site Features and Paving</u> Replace Perimeter Wood Fencing (Phased) – $92,882 <u>6.3 Drainage and Site Services</u> Buried Drainage Piping Repair/Replacement Allowance – $21,855

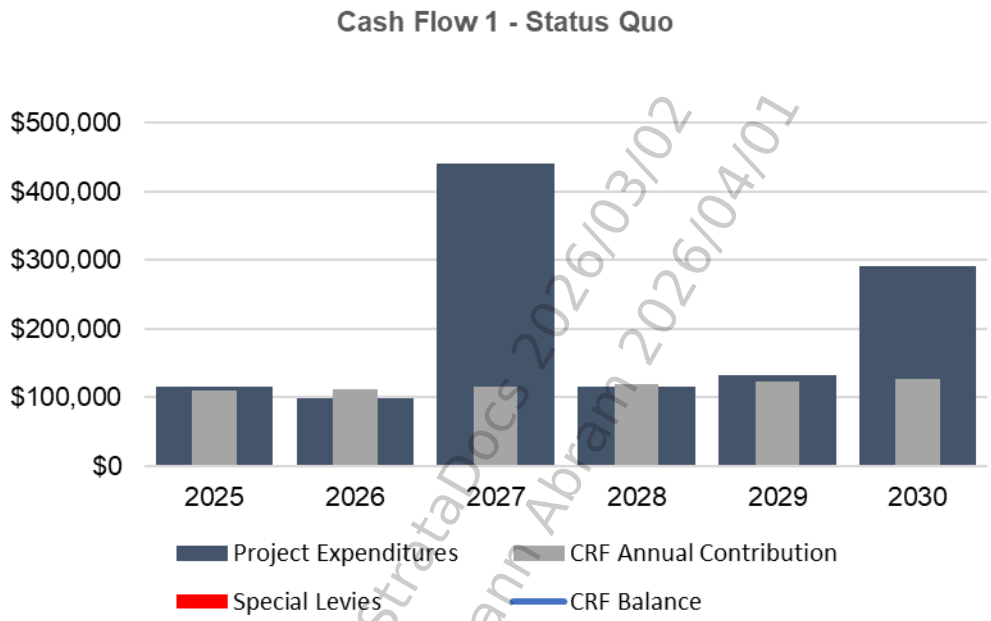
Our analysis shows that an increase to the Contingency Reserve Fund above current contribution levels is required to meet future anticipated expenditures.

The following tables show six-year snapshots for three possible funding scenarios. Full expenditure and cash flow tables are included in Appendices B to E.

Cash Flow Analysis 1: Status Quo

This funding scenario assumes future contributions to the Contingency Reserve Fund at the present level. You will see that there are several years where the amount in the Reserve Fund will be insufficient to cover the costs of required repairs and renewals, as well as the resultant Special Levy required in those particular years to cover costs.

The table below shows the first six-year snapshot for this scenario. See Appendix C for both 10-year and full 30-year tables and graphs.



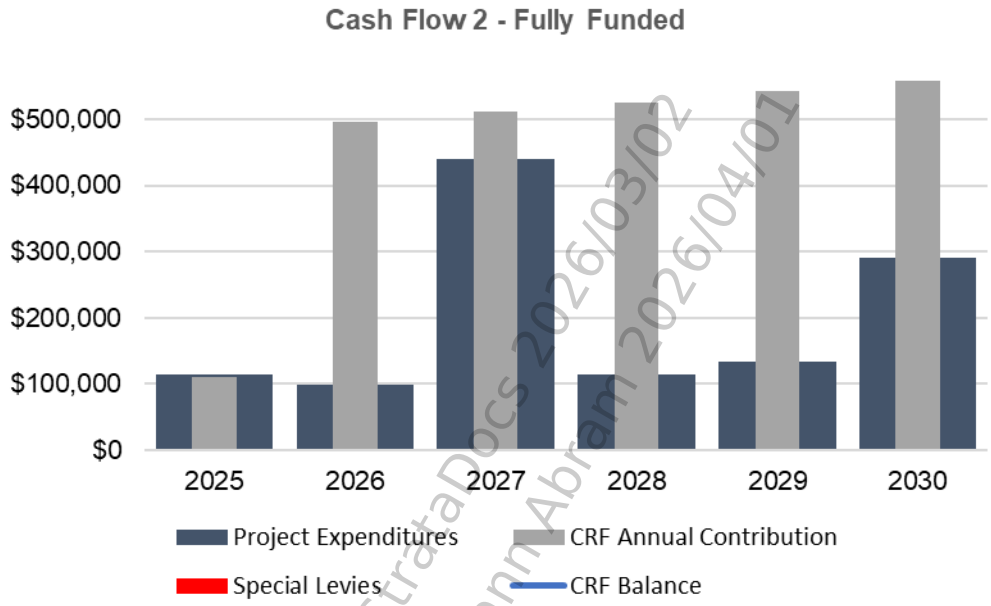
Year	2025	2026	2027	2028	2029	2030
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**
CRF Annual Contribution	**$109,367**	**$112,648**	**$116,027**	**$119,508**	**$123,094**	**$126,786**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
CRF Balance	**$960,055**	**$1,024,935**	**$754,044**	**$798,970**	**$831,707**	**$711,673**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**
YOY% Contribution Increase		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$1,501.97**	**$1,547.03**	**$1,593.44**	**$1,641.25**	**$1,690.48**

Cash Flow Analysis 2: Fully Funded (No Special Levies)

This funding scenario shows an increase in contributions to the Contingency Reserve Fund in the next fiscal year to cover the cost of future repairs and replacements with no Special Levies.

Following this increase, annual contributions would increase by the amount of inflation.

The table below shows the first six-year snapshot for this scenario. See Appendix D for both 10-year and full 30-year tables and graphs.

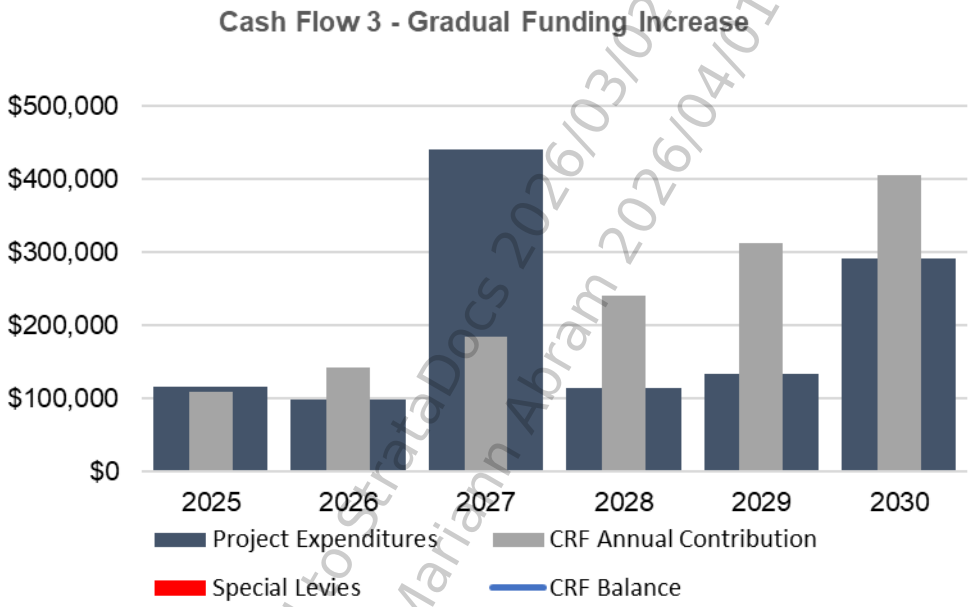


Year	2025	2026	2027	2028	2029	2030
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**
CRF Annual Contribution	**$109,367**	**$495,787**	**$510,661**	**$525,980**	**$541,760**	**$558,013**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
CRF Balance	**$960,055**	**$1,418,183**	**$1,571,635**	**$2,073,877**	**$2,598,887**	**$3,008,173**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**
YOY% Contribution Increase		**353.3%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$6,610.49**	**$6,808.81**	**$7,013.07**	**$7,223.46**	**$7,440.17**

Cash Flow Analysis 3: Gradual Funding Increase

This funding scenario shows gradual increases immediate increases in contributions to the Contingency Reserve Fund, followed by gradual increases in contributions to the Contingency Reserve Fund and special levies for large expenditure years in 2033 and 2034, so as not to overly burden the existing Owners; but, also to eventually (after 2038) bring the contributions to a level where the Reserve Fund is fully funded and annual contributions only needing to be increased by the amount of inflation. You will note that initial contribution amounts will be less than in Scenario Cash Flow Analysis 2, but more in later years.

The table below shows the first six-year snapshot for this scenario. See Appendix E for both 10-year and full 30-year tables and graphs.



Year	2025	2026	2027	2028	2029	2030
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**
CRF Annual Contribution	**$109,367**	**$142,177**	**$184,830**	**$240,279**	**$312,363**	**$406,072**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
CRF Balance	**$960,055**	**$1,055,243**	**$856,458**	**$1,030,367**	**$1,268,722**	**$1,456,787**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**
YOY% Contribution Increase		**30.0%**	**30.0%**	**30.0%**	**30.0%**	**30.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$1,895.69**	**$2,464.40**	**$3,203.72**	**$4,164.84**	**$5,414.29**

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1.0 INTRODUCTION

The Owners of Strata Plan VIS 1579 retained *Sense Engineering* to prepare this Depreciation Report Update for Eagle Ridge Estates at 1255 Wain Road in North Saanich.

This report satisfies the requirements of the BC *Strata Property Act* and Regulations.

2.0 DESCRIPTION OF THE STRATA CORPORATION

Eagle Ridge Estates consists of 75 two-storey townhomes in 25 clusters (sometimes known as "pods" constructed between 1987 and 1991 spread over a 75 acre site. Each unit is constructed over a crawlspace and includes an attached garage. Each unit has a main deck and some also have an upper deck.

For the purposes of this report, the 2025 Fiscal Year runs from October 1, 2024 to September 30, 2025.

Photo 1: Entrance to the complex off Wain Road.

Photo 2: Typical main deck.

Our interpretation of the Strata Bylaws and how we understand the Strata Corporation to be operating is that the following property assets (building components and systems) are the common assets which must be addressed as part of this Depreciation Report:

- structural frame, including exclusive use main decks;
- roofs, including upper decks including the roof segments over solariums and wooden-walled sunrooms;
- exterior cladding, windows and doors;
- site finishes, including driveways at each unit; and
- common mechanical, electrical and plumbing facilities.

We understand that the components and systems which are not common assets and therefore the responsibility of the individual owners include:

- interior unit finishes;
- fencing between units;
- RV storage lot;
- garage door hardware/operator;
- exterior wall-mounted light fixtures; and

- unit entrance storm doors.
- irrigation systems serving the front and back yards of units;
- in-unit fire detection;
- skylights;
- in-unit-specific plumbing and electrical fixtures and associated piping and wiring;
- in-unit HVAC units; and
- unit water heating tanks.

3.0 SENSE'S SCOPE OF WORK

3.1 BC *Strata Property Act* and Regulation Requirements

As per Part 6 of the Regulations to the BC *Strata Property Act*:

> Depreciation reports help strata corporations plan for the repair, maintenance and replacement of common property, limited common property and common assets over a 30 year period.
>
> The report must contain:
>
> - a physical component inventory and evaluation of the common property and assets;
> - a summary of anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years;
> - A financial forecasting section with at least three cash flow funding models.
>
> Depreciation reports provide useful information to strata lot owners, prospective purchasers, mortgage providers and insurance companies.

Our Depreciation Report provides information satisfying the above requirements. In response to other requirements of the Regulations:

✓ The employees at *Sense Engineering* have prepared Depreciation-type reports across Canada since the early '90s, and our Team is familiar with virtually all building systems, failure mechanisms and required maintenance, repair and replacement needs.

✓ *Sense Engineering* was retained by the Strata Corporation, and at the time of writing this report, no employees of *Sense Engineering* have any ownership interest (present or prospective) in the Strata Corporation or its management company, thereby solely providing independent 3rd party consulting services to the Strata Corporation.

✓ *Sense Engineering* carries $2,000,000 in errors and omissions insurance.

Our intent in preparing this Depreciation Report for the Strata Corporation was to:

- meet the requirements of the BC *Strata Property Act* and Regulations;
- make the report easy to understand and be a useful document to assist in managing the buildings; and
- include a sensible plan for managing costs to maintain, repair and renew the buildings over both the short and long term.

3.2 Preparation, Site Review and Reporting

In preparing this report, we:

- Reviewed the information made available (see Appendix F) and had discussions with Strata Representatives (David Saunders, David Stinson and Dee Williams) to:
  - verify which components of the Strata Corporation are common assets;
  - understand the general construction of the buildings and property;
  - understand the type and level of maintenance and repairs carried out in the past and planned for the future; and
  - understand the financial status of the Strata Corporation.
- Dan Walters, AScT, LEED AP, Matias Kollinger, EIT, and Scott Chisholm, EIT, visited the site on June 16 and June 17, 2025, and visually reviewed representative samples of the common assets to assess existing conditions. As part of this review, we:
  - observed common assets from the ground, accessible roofs and upper decks, townhouse units and accessible attics and crawl spaces (see below) and common and service areas; and
  - gained access to Units 2, 5, 20, 21, 36, 40, 56 and 70, including their attics and crawl spaces.

  Dan Walters, AScT, LEED AP and Bill Sullivan, P.Eng. reviewed this report.

4.0 PROJECTED EXPENDITURES

Using the information gathered, we created an inventory of the Strata Corporation's common assets and the timeframe and cost expected for major repairs and replacement.

The estimated timing of repair/replacement projects is based on typical service lives, adjusting for current conditions and past performance history. Please note that project timing may also depend on material and contractor availability. We assume good maintenance practices are followed. Actual timing depends on many factors, including the frequency or intensity of future building maintenance. Under strict maintenance regimens, the timing of repairs and renewal projects could possibly extend beyond what is presented in this report. Conversely, if essential and timely maintenance is not carried out, it may be necessary to undertake repairs and renewal projects years sooner than what is presented in this report.

As per the *Strata Property Act*, the Depreciation Report includes anticipated maintenance, repair and replacement costs for common expenses that usually occur less than once a year. In general, this Depreciation Report includes any repair or renewal project greater than $5,000. Not included in the report are: smaller repairs and replacement work, routine building maintenance items or items that we understand would typically be addressed as part of regular maintenance using funds from the operating budget (based on how the Strata is currently operating).

The budgets provided in this Depreciation Report are our recommended budgets for the remedial work described in this report. The budgets are calculated using quantities obtained from the building drawings and provided and information we have obtained from similar projects. Unfortunately, the building drawings available were limited, resulting in quantities being less accurate due to having to make several assumptions, so quantities are rough estimates only and will need to be confirmed through site measurements prior to undertaking repairs. Quantities are multiplied against unit rates taken from an internal cost database to provide the budgets in the report. Our internal cost database is updated regularly with pricing received from remedial work *Sense Engineering* is involved in within the Lower Mainland. As *Sense Engineering* has no control over contractor pricing, actual costs will vary depending upon the time of tender, availability of supplies, schedule of work and conditions under which the work must be carried out. Final construction costs may vary as concealed conditions may differ from assumptions made at the time of our evaluation.

Cost estimates shown are inflated and include contingencies (typically 10% to 20%) and allowances for design/project management (5% to 15%), where appropriate. GST (5%) has also been included.

The budgets provided in this Depreciation Report are also based on current Code requirements. Future Code updates may have an impact on the scope of recommended work and associated cost estimates.

5.0 FINANCIAL ANALYSIS AND ASSUMPTIONS

As per the BC *Strata Property Act* Regulations, the Contingency Reserve Fund expenditures were projected over a 30-year period to develop various funding scenarios that accommodate anticipated repair/replacement needs. There are repair and replacement projects which will be required beyond the 30-year window of this report. Eventually, in updates to your Depreciation Report, these projects will come into play and affect the future funding requirements of the Contingency Reserve Fund (either negatively or positively).

Our analysis shows that an increase to the Contingency Reserve Fund is required above current contribution levels to meet future anticipated expenditures. The 30-year expenditure table and three possible funding scenarios in the form of cash flows tables are included in Appendices B to E.

Our financial analysis includes the following assumptions:

Fiscal Year End:	September 30th
Reserve Fund Starting Balance (on September 30, 2024):	$917,767, based on financial information provided
2025 Contribution to Reserve:	$109,367, based on financial information provided
Minimum Balance:	$250,000, as confirmed by the Strata
2025 Operating Fund Budget:	$673,624, based on financial information provided
Annual Interest Rate:	4.8%, based on financial information provided
Inflation Rate:	3.0%

NOTES:

In our cash flow analysis for 2026, we have used a minimum balance of $250,000, based on the financial information you provided. We recommend that the Contingency Reserve Fund have a minimum balance equivalent to at least 25% of the annual operating fund to help safeguard against certain situations, such as:

- components performing worse than expected;
- unexpected problems or conditions; or
- new requirements becoming necessary as a result of changes in Codes or local Bylaws.

The minimum balance increases yearly to match inflation.

As of November 1, 2023, the Regulations of the *Strata Property Act* require that annual contributions to the Contingency Reserve Fund are at minimum equivalent to 10% of the annual operating fund. In our cash flow analysis for 2025, we have used an annual contribution to the reserve of $109,367 based on the financial information you have provided.

The inflation rate of 3.0% is based on weighted historical construction indices for the Vancouver Island area, and an interest rate of 4.8%, based on financial information you have provided.

Sense Engineering understands that the Strata has retained Unity Services to develop a major asset management plan to assist with the future implementation of large scale capital expenditures. *Sense Engineering* further understands that this Depreciation Report Update has been used as a basis to prepare the major asset management plan and the reports should be read in conjunction.

6.0 CLOSURE

We trust this report meets the immediate needs of the Strata and other users of the report.

Yours truly,
Sense Engineering

Matias Kollinger, EIT
Project Associate

Dan Walters, AScT, LEED AP
Project Manager

Bill Sulivan, P.Eng.
Project Principal

APPENDIX A – COMMON ASSETS

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1. STRUCTURE

1.1 STRUCTURAL FRAME

BRIEF DESCRIPTION:

The above grade structures are wood-framed with wood sub-floors on wood joists, all supported by wood-framed walls. We understand some walls incorporate a paneled wall system from NASCOR. The roof has engineered roof trusses with plywood sheathing. There are painted wood posts, typical with steel post bases on concrete footings, at some units supporting the floors above.

The below-grade walls are poured concrete. A bitumen based liquid-applied dampproofing membrane was observed on the exterior of the below-grade concrete walls where visible above grade.

There are crawlspaces at all units. The crawlspaces are vented to the exterior. The foundation walls are insulated with rigid expanded polystyrene insulation in the crawlspaces and fibreglass batt insulation complete with a polyethylene sheet in the spaces between the studs in the supports built between the top of the foundation walls and the bottom edge of the floor joists in crawl spaces with such an arrangement. The floors in the crawlspaces appear to be either a concrete slurry or concrete slabs-on-grade.

The parking garage floors are a concrete slab-on-grade. While relevant drawings were not provided, we assume the buildings are founded on concrete strip and pad footings.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the structural frame of the buildings.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We noted evidence of past leakage in the form of efflorescence on the floors of some crawlspaces. However, no evidence of past or active leakage was observed at the foundation walls, and no active leakage has been reported by unit owners.

Photo 1: Typical roof structure.

Photo 2: Typical crawlspace with limited clearance.

Photo 3: Typical crawlspace with additional clearance.

We understand the Strata completes periodic inspections of the crawlspaces, and completes minor repairs on an as-needed basis which is reportedly funded out of the operating budgets. Similarly, we understand the Strata completes periodic inspections of the attics, and completes repairs on an as-needed basis funded out of the operating budgets.

Most of the structural components are concealed from view. We saw no evidence of unusual settlement, displacement or structural cracking in the areas reviewed.

The interior portions of the structure are generally protected from weather and are not expected to require major repair within the report term. Expected repairs to structural elements exposed to weather are discussed in other sections of this report.

These buildings are in an area with a relatively high risk of strong seismic activity. We have not completed a structural analysis to confirm whether the buildings meet current earthquake resistance requirements. Upgrading to meet current Code requirements is not mandatory, so we have not budgeted for any structural retrofits. However, retrofits could be required if there is a major loss to the buildings (e.g., due to a fire or flood) or if a major renovation is carried out in the future.

1. STRUCTURE

1.2 MAIN DECKS

BRIEF DESCRIPTION:

There are main decks on the rear elevation of all townhouse units. The main decks are secured to the building walls and supported along the outer edge by wood beams and wood posts. The posts sit on metal post saddles connected to concrete footings.

The main decks typically have composite plank decking. The top surface of a portion of the main deck at Unit 35 is protected by a sheet-applied vinyl waterproofing membrane. The underside of the main deck structures are exposed.

The majority of the main decks have wood-framed railings with a combination of glass in-fill panels and wood pickets. Units 1, 64 and 76 have prefinished aluminum framed railings. All railings are mounted to the exterior vertical face of the reinforced deck edge.

Wood-framed staircases of varying heights provide access between the main decks and the ground.

There are upper decks on 12 townhouse units. Upper decks are similar to the main decks but over occupied space below. See the *Roofing* section of this report for further discussion and budgets related to the upper decks.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2009:	Installed composite decking on all main decks and replaced wood railings, as reported by the Strata (cost not provided).
2024:	Completed various repairs to main decks at a reported cost of $22,537, as reported by the Strata.
2025:	Completed various repairs to main decks at a cost of $78,421, as reported by the Strata.

Photo 4: Typical main deck.

Photo 5: Typical staircase providing access onto main deck and supporting wood posts.

PRESENT CONDITIONS AND RECOMMENDATIONS:

A recent Deck Inspection Summary Report prepared by Pro Deck Ltd. identified various main deck deficiencies and provided a budget to complete the recommended repairs. We have incorporated the repair budget as indicated in the Strata's planned capital expense budget for 2025. After this, we have provided a biennial allowance to complete further main deck repairs on an isolated, as-needed basis.

Based on our conversation with the Strata, we understand that the prefinished aluminum framed railings and the vinyl waterproofing membrane are the responsibility of the individual owners. Therefore, we have not budgeted to replace these components at these townhouse units.

We have budgeted to replace the composite plank decking on all main decks at the end of their expected service life. The related project expenditure shown in the Capital Projects table shows the cost on a per year basis. We have also budgeted for evaluating the condition of the main decks prior to replacing the decking.

We understand that the wood-framed railings are maintained on an as-required basis as part of ongoing maintenance activities funded out of operating budgets. However, we have budgeted to eventually replace all wood railings with prefinished aluminum framed railings to reduce future maintenance costs. To reduce access and mobilization costs, the expenditures assume that the railings will be replaced at the same time as the decking replacement.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Immediate Main Deck Repairs	$30,000	2025	N/A
Periodic Main Deck Repair Allowance	$20,000	2027 2029 2031	2
Evaluate Main Decks	$10,000	2031	N/A
Replace Composite Plank Flooring at Main Decks, Including Replacing Railings (Phased – 5 Pods Per Year)	$360,000	2033 2034 2035 2036 2037	25

2. BUILDING ENVELOPE

2.1 EXTERIOR WALLS

BRIEF DESCRIPTION:

The exterior walls are primarily clad with painted cedar siding. “Hardie Plank” fibre cement board has been used in some locations to replace sun damaged original siding. Hardie Plank has also been used in place of cedar on newer main and second floor additions. Walls between the townhouse units are stucco cladding. The chimneys are clad in brick.

There is painted wood trim at the window and door perimeters. There is typically also painted wood trim at the roof gable ends and eaves.

The wood and stucco clad walls appear to be designed as a concealed barrier system, meaning that there is a secondary water-resistive barrier behind the face of the cladding. Concealed barrier systems do not incorporate an air space behind the cladding, which significantly limits drainage and drying of any incidental water that passes through or around the cladding. However, the exterior of these walls does not need to be fully watertight to perform satisfactorily.

The newer fibre cement cladding at the exterior walls of the repaired/ replaced areas or additions is designed as a drained system, meaning that a drainage cavity has been incorporated behind the cladding to drain water which penetrates through the cladding back to the exterior. As a result, the outer surface does not need to be perfectly watertight to perform satisfactorily.

There is a utility shed near the RV parking area which also has painted wood siding.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

Unknown:	The wood siding has been replaced with fibre cement lap siding on some units, as observed on site (cost not provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any reports or evidence of active water leakage through the exterior walls.

Photo 6: Typical wood siding and stucco cladding.

Photo 7: New fibre cement lap siding and typical brick chimney.

Photo 8: Utility shed.

We understand that the Strata completes phased painting and exterior wall repairs about every 8 years at a rate of 15 units per year. This is understood to be funded out of operating budgets. Therefore, we have not included budgets for periodic painting cycles or exterior wall repairs.

We understand that owners have accepted responsibility to repair and maintain the lighting fixtures mounted on the exterior of the buildings. Awnings mounted on the exterior of the buildings are owner-generated alterations to common property and are thus an owner responsibility to repair and maintain.

We assume that local repair of the brick chimneys will be completed on an as-needed basis funded out of operating budgets. Major repairs or general replacement of the masonry is not expected to be required within the reporting term.

Wood and stucco cladding have a typical service life of approximately 40 to 45 years, if properly built and maintained. Based on the proactive maintenance approach by the Strata, we understand that Strata will continue to maintain the exterior walls rather than complete widespread cladding replacement. We have provided an allowance to repair the exterior walls every five years.

We have also budgeted for a building envelope condition assessment (BECA) of the buildings prior to the next update of this Depreciation Report to better define the scope of required repairs, budgets, timing and phasing options for future building envelope renewals.

We have also provided a budget to reclad the utility shed.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Building Envelope Condition Assessment	$18,000	2029	N/A
Repair Exterior Walls Allowance	$100,000	2030 2035 2040 2045 2050	5
Reclad Utility Shed	$5,000	2037	45

2. BUILDING ENVELOPE

2.2 WINDOWS, AND MAIN DECK AND UPPER DECK DOORS

BRIEF DESCRIPTION:

The windows are typically aluminum framed with both fixed and operable (awning) double-glazed insulating glass units (IGUs). Some original windows have been replaced with vinyl (PVC) framed windows. The aluminum windows have interior condensation tracks.

The main deck and upper deck doors are typically aluminum framed sliding glass doors with double-glazed IGUs in non-thermally broken frames. Some sliding doors at the main decks have been replaced with newer PVC framed sliding doors. Some townhouse units also have single or double swing doors with double-glazed IGUs inserts.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the windows.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any reports of water or excessive air leakage through the windows or balconies and roof deck doors. We understand that the Strata currently repairs and maintains these assemblies out of operating budgets, including replacing failed IGUs.

The majority of the windows and sliding doors at the complex are original. Based on the proactive maintenance approach by the Strata, we understand that Strata will continue to maintain the windows, main deck and upper deck doors rather than complete widespread replacement for these assemblies. We have provided an allowance to repair and/or replace these assemblies every five years. For the purposes of this report, we assume that the original aluminum framed assemblies (if replaced) will be replaced with vinyl framed assemblies.

Photo 9: Typical exterior windows.

Photo 10: Typical sliding door at main deck.

We have budgeted to evaluate the windows, main deck and upper deck doors as part of the BECA (see the *Exterior Walls* section of this report for further discussion and project budgets).

We also understand that where the windows and doors have been replaced with newer assemblies, these are now the responsibility of individual owners. As such, we have not budgeted for their replacement.

Many municipalities are starting to require energy efficiency improvements during window replacement projects, which may require installing better insulated window frames and/or better performing IGUs. As future requirements cannot be known at this time, the allowance allocated in this report are for replacement with windows that meet the current industry standards.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Repair/Replace Windows, Main Deck and Upper Deck Doors Allowance	$40,000	2030 2035 2040 2045 2050	5

2. BUILDING ENVELOPE

2.3 EXTERIOR DOORS

BRIEF DESCRIPTION:

The exterior doors include the following:

- *Townhouse Unit Entrances*: Painted metal-clad wood swing doors with sidelights. Storm doors have been installed at some unit entrances. These are reportedly the responsibility of the individual owners.
- *Garage Doors*: Prefinished metal overhead doors with power operators. We understand the power operators are the responsibility of individual owners.
- *Crawl Space Doors and Hatches*: Painted wood doors.
- *Garage Rear Doors:* Painted metal-clad wood swing doors.
- *Utility Shed:* Painted wood doors.
- *Tractor Garage:* Manually operated metal overhead door.
- *Main Deck and Upper Deck Doors:* See Section 2.2.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2012 - 2017:	Replaced garage doors, as reported by the Strata (cost not provided).

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any reports of water leakage through the doors and we did not see any evidence of water leakage in the areas reviewed. Where checked, the weatherstripping is in satisfactory condition.

Based on the proactive maintenance approach by the Strata, we understand that Strata will continue to maintain the unit entrance doors rather than complete widespread replacement for these doors. We have provided an allowance to repair and/or replace these assemblies every five years.

Photo 11: Typical townhouse unit entrance door.

Photo 12: Typical garage door.

Photo 13: Typical crawl space door.

We have budgeted for replacing the garage overhead doors at the end of their expected service lives. The related project expenditure shown in the Capital Projects table shows the cost on a per year basis.

The remaining doors, including the crawlspace doors, the utility shed doors, the overhead door at the equipment shed and garage rear doors are expected to be repaired or replaced on an individual and as-needed basis funded out of operating budgets.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Repair/Replace Townhouse Entrance Doors Allowance	$5,000	2030 2035 2040 2045 2050	5
Replace Garage Overhead Doors (Phased – 5 Pods Per Year)	$45,000	2037 2038 2039 2040 2041	25

2. BUILDING ENVELOPE

2.4 SLOPED GLAZING

BRIEF DESCRIPTION:

There are glazed aluminum framed solariums incorporating sloped glazing at 11 townhouse units with double-glazed IGUs. The system appears to have an internal drainage system. Sliding doors are integrated within the vertical glazing.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the sloped glazing.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We understand that the Strata currently repairs and maintains these assemblies on an as-needed basis funded out of operating budgets, including replacing failed IGUs.

Based on our conversation with the Strata, we understand that one solarium was recently installed by an owner, and is their sole responsibility to repair and maintain. Therefore, we have not budgeted to replace this solarium.

We further understand that the Strata has budgeted to complete repairs at the solariums throughout the complex in 2025. We have included the budget provided in the capital assets management plan for this work.

Eventually most sloped glazing systems need a major overhaul (or replacement). Based on the age of the systems and the reported performance, we have provided an allowance for a major overhaul of the systems within the report term. The related project expenditure shown in the Capital Projects table shows the cost on a per year basis.

Photo 14: Typical solarium.

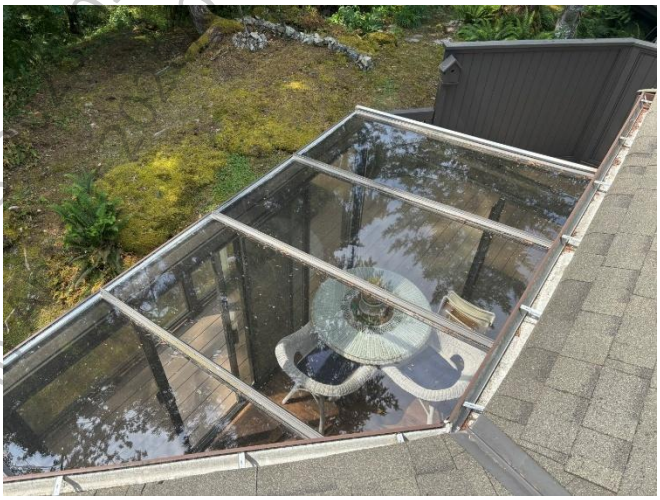


Photo 15: Typical solarium as observed from the roof.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Repair Solariums	$50,000	2025	N/A
Overhaul Solarium Allowance (Phased)	$150,000	2032 2033 2034	45

2. BUILDING ENVELOPE

2.5 ROOFING

BRIEF DESCRIPTION:

The roofs at the townhouse buildings include the following:

- All parts of the main roofs over the second floor, including the roof segment over the upper room where installed;
- flat roofs over townhouse entrances, low sloped roofs on certain sunrooms and shingled roofs on the remaining sunrooms; and
- upper decks on the 2nd floor at 12 townhouse units.

The sloped roofs are covered with asphalt shingles. The sloped roofs drain into prefinished metal eavestroughs and downspouts that discharge onto the flat roofs below or below grade (presumably into a sub-surface drainage system). We noted perforated metal soffits and static roof vents for venting the attic spaces.

The flat roofs are covered by a 2-ply modified bitumen waterproofing. The membrane flashings at the perimeter of the roofs are covered with sheet metal flashing. The flat roofs typically drain into prefinished metal eaves troughs and downspouts that discharge below grade presumably into the sub-surface drainage system.

The upper decks are typically protected by a sheet applied vinyl waterproofing membrane. The roof deck at Unit 68 is protected by a 2-ply modified bitumen waterproofing. The roof decks drain into area drains or through a scupper in the perimeter curb. The railings are wood-framed with a combination of glass in-fill panels and wood pickets. The railings are mounted on the top of the perimeter curbs.

Some owners have added skylights on some sloped and flat roofs. These are typically aluminum framed with double-glazed IGUs.

The utility shed has a sloped roof covered with asphalt shingles. This roof drains free drains off the lower edges onto grade below.

Photo 16: Typical sloped and flat roofing.

Photo 17: Typical upper deck.

Photo 18: Typical skylights.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2004:	Replaced sloped and flat roof assemblies, including eavestroughs, downspouts and skylights, as reported by the Strata (cost not provided).
2009:	Replaced waterproofing membranes on upper decks, as reported by the Strata (cost not provided).
2018:	Replaced waterproofing membrane on upper deck of Unit 68, as reported by the Strata (cost not provided).
2020-2021:	Completed repairs to the flat roofs with a liquid-applied waterproofing product, as reported by the Strata (cost not provided).
2025:	Completed various repairs to upper decks at a cost of $13,726, as reported by the Strata.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any reports of active water leakage through the roofs, and we did not see any evidence of water leakage in the areas reviewed. However, we were made aware of some ongoing water leakage through the upper decks.

Exposed sheet applied vinyl membranes, such as those used on the upper decks, tend to have a serviceable life of about 15 years before they need to be replaced. This life expectancy assumes proper materials were installed at the time of construction and proper application procedures were followed. Given the performance of the upper decks to date, we have budgeted for replacing the waterproofing membrane at the remaining upper decks. For the purposes of this report, we have budgeted to replace the vinyl membrane with a 2-ply modified bitumen membrane, similar to what has been done at Unit 68.

Similarly to the main deck railings, we understand that the wood-framed railing on the upper decks are maintained and repaired as part of regular maintenance funded out of operating budgets. However, we have budgeted for replacing the existing railings with prefinished aluminum framed railings to reduce future maintenance costs. To reduce access and mobilization costs, the expenditures assume that the railings will be replaced at the same time as the next upper deck waterproofing replacement.

Exposed modified bitumen roofs and asphalt shingles in the coastal BC climate tend to have a service life of about 20 to 25 years before they need to be replaced. These life expectancies assume proper materials were installed at the time of construction and proper application procedures were followed.

Based on the current performance of the roofs, the Strata's ongoing proactive maintenance, and the Roof Condition Survey and Report prepared by Westcoast Roof Inspection Services dated January 18, 2025, we have budgeted for phased replacement of the flat and sloped roofs together at the end of their expected service life. The budget to replace the flat and sloped roofs has been taken from the Roof Condition Survey and Report prepared by Westcoast Roof Inspection Services dated January 18, 2025, as requested by the Strata. The related project expenditure shown in the Capital Projects table shows the cost on a per year basis. We assume that the recommended repairs outlined in the Roof Condition Survey and Report will be completed funded out of operating budgets.

We have budgeted to evaluate the roofs as part of the BECA (see the *Exterior Walls* section of this report for further discussion and project budgets).

We understand that skylights are the responsibility of individual unit owners, so no budgets have been included in the replacement budgets.

We expect replacing the asphalt shingles at the utility shed can be completed at a cost below the reporting threshold, so no budget has been included for this.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Re-waterproof Upper Decks and Replace Railings	$295,000	2027	N/A
Re-waterproof Upper Decks	$265,000	2052	25
Replace Sloped and Flat Roofs (Phased Over 3 Years)	$765,000	2032 2033 2034	25

3. FIRE SAFETY

3.1 GENERAL

BRIEF DESCRIPTION:

There are hard-wired smoke alarms serving the townhouse units. The fire separations are generally formed by rated drywall assemblies. Egress from the buildings is provided by entrance and main deck doors.

There are eight private fire hydrants serving the complex.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the fire safety systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We understand that the smoke alarms within the townhouse units are the responsibility of the individual Owners to maintain.

The Strata reports that the eight hydrants have been maintained competently by the local municipality for many years, except for flow testing with the District does not complete. A contractor has been engaged for this latter task beginning in 2025, and we understand the work will be completed funded out of operating budgets.

Although fire hydrants can last over 100 years, the gaskets and seals typically harden and fail after 50-60 years, often requiring replacement of the hydrants. If this happens, the hydrants will need to be replaced. That said, some seals can last longer than others, and there are some 100-year-old hydrants still in service. We do not expect that any hydrants will require general replacement within the report term. However, this will need to be added as part of future updates to this report.

Photo 19: Typical townhouse unit smoke detector.

Photo 20: Typical fire hydrant.

4. SITE

4.1 SITE FEATURES AND PAVING

BRIEF DESCRIPTION:

The site features include the following:

- *Property Signage*: There is a wood sign with the name of the development and street address mounted on a stone wall at the main entrance to the complex.
- *Soft Landscaping*: The majority of the site has natural forest growth, with areas of trees, shrubs and grass areas throughout the property. There is an in-ground irrigation system for the landscaped areas along the main entrance roadway and other localized areas throughout the property. The irrigation systems at the front and back of some townhouse unit are understood to be the responsibility of the individual owners.
- *Retaining Walls*: There are stone retaining walls along the entrance roadway to the complex. There is also a timber retaining wall along the south bank of the pond.
- *Fencing*: There is wooden post supported page wire fencing around the west, south and east sides of the property. There is wood rail fencing on either side of the main gates and some sections of wooden post or steel picket supported page wire fencing along the north boundary of the property. Some owners have created short rail fence segments along the edges of the common property areas which they maintain near their homes. The owners are responsible for the segments they have created.
- *Tractor Garage*: There is a tractor garage on the east-side of the RV parking lot. The garage has metal cladding on the walls and roof, and a manual overhead door.
- *Pond*: There is a pond on the south-east side of the property. The pond includes a stone weir on the east side.
- *Mailbox Kiosk*: There are mailbox kiosks, including an information board and newspaper container, near the main entrance to the property.

Photo 21: Typical perimeter fencing.

Photo 22: Tractor garage.

Photo 23: Service gate.

- *Gates:* There is a set of prefinished metal gates mounted between stone-clad columns at the main entrance to the property. There is another prefinished metal gate mounted on metal posts providing access to the RV parking lot off Wain Road. All gates have power operators.

- *Signage:* There are various information signs, including townhouse unit numbers, speed limits and stop signs mounted on wood posts or trees, throughout the property.

- *Benches:* There are metal benches throughout the property.

- *Little Library:* There is a wood-framed bookshelf mounted on wood posts near the main entrance roadway to the property.

The paving includes the following:

- *Walkways*: There are gravel surfaced walkways throughout the property.

- *Driveways and Entrance Walkways:* There are brick-paved driveways in front of each unit, as well as brick-paved walkways leading to the main entrance to each unit.

- *Roadways*: There are asphalt-paved roadways throughout the property. There are brick pavers at the main entrance gates.

- *RV Parking Lot:* There is gravel surfacing in the RV parking lot, including the access roadway off Wain Road.

- *Little Library:* There is a small brick-paved plaza in front of the bookcase.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2010:	Replace main entrance gate motors, as reported by the Strata (cost not provided).
2012:	Replaced common property irrigation sprinkler lines, as reported by the Strata (cost not provided).
2020:	Service gate replaced with an electric gate for a reported cost of $12,701.
2025:	Constructed tractor shed for a reported cost of $22,789 (including engineering fees).

Photo 24: Main entrance to the property.

Photo 25: Typical brick-paved driveway.

Photo 26: Typical roadway.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The site features and paving are generally well-maintained. However, the Strata reported that the perimeter fencing varies in condition, the entrance brick-pavers require repairs and the timber retaining wall at the pond requires repair.

We have budgeted for periodic replacement of the perimeter wood fencing. Additionally, we have included the budget provided by the Strata from Five Star Paving to re-set the brick-pavers at the entrance to the property in 2025. We have also budgeted an allowance to repair the timber retaining wall at the pond.

We understand that re-setting and completing local repairs to the brick pavers at the little library will be completed in 2025, funded from operating budgets. Additionally, we assume that walkway maintenance throughout the property and the RV parking lot will be completed on an as-needed basis, funded out of operating budgets.

We have budgeted for replacement of the main entrance gates and the service gate at the end of their expected service lives.

We understand that the Strata completed a FireSmart Assessment in 2022 and that the Strata implements an annual forest management program. We assume that maintenance of the soft landscaping, including additional maintenance items from the FireSmart assessment, will continue to be funded out of operating budgets. Similarly, we assume that local repairs or replacement of the majority of the remaining site features can be funded from operating budgets.

There were no concerns reported to us with respect to the common irrigation system. The irrigation piping should not require broad scale replacement. We assume that replacement of locally damaged sections of piping and sprinkler heads will be funded out of operating budgets.

We have budgeted for a periodic allowance to renewing (replacing or re-setting) the unit paving at the driveways and main entrances at each unit.

The asphalt pavement is generally level and intact. We did not see evidence of widespread settlement or deterioration that would indicate general problems with the subgrade.

There are different strategies for managing on-grade paving. In the absence of widespread sub-grade problems, the paving could continue to be managed by completing local repairs on an as-needed basis, provided a patch-work appearance is acceptable. Given the age, we recommend starting to plan for a program of general renewal. We have budgeted for milling the top surface of the asphalt-paved roadways and overlaying with a new top layer, followed by eventual general replacement. The related project expenditures shown in the Capital Projects table shows the cost on a per year basis.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Post and Wire Fencing (Phased)	$85,000	2026 2028 2030 2032 2051 2053	25
Repair Brick Paved Entrance to Property	$25,000	2025 2050	25
Pond Timber Retaining Wall Repair Allowance	$10,000	2026 2036 2046	10
Replace Entrance Gates	$12,000	2030	25
Replace Service Gate	$6,000	2035	25
Driveway/Entrance Unit Paving Renewal Allowance	$100,000	2027 2032 2037 2042 2047 2052	5
Mill/Overlay Asphalt-Paved Roadways (Phased Over Two Years)	$350,000	2033 2034	N/A
Replace Asphalt-Paved Roadways (Phased Over Three Years)	$475,000	2052 2053 2054	N/A

4. SITE

4.2 EQUIPMENT

BRIEF DESCRIPTION:

There is a tractor, trailer and woodchipper stored in the tractor garage located to the east of the RV parking area.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2021: Purchased tractor, chipper and hitch for a reported cost of $41,483.

2022: Purchased fork set for a reported cost of $1,093.

2023: Purchased trailer for a reported cost of $4,224.

2024: Purchased front winch for a reported cost of $162.

PRESENT CONDITIONS AND RECOMMENDATIONS:

No concerns with the site equipment were reported to us.

We assume that minor repairs and maintenance associated with the site equipment will be managed out of operation budgets on an as-needed basis. While the longevity of the equipment will be influenced by many factors such as maintenance and usage, we assume that the tractor and woodchipper will be well maintained to last for 20 years. The trailer and related accessories (winch, hitch, etc.) are assumed to fall below the report threshold, so no budgets have been included for their replacement.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Replace Tractor	$40,000	2041	20
Replace Wood Chipper	$5,000	2041	20

Photo 27: Tractor and trailer.

Photo 28: Woodchipper.

5. HVAC

5.1 GENERAL

BRIEF DESCRIPTION:

The units are all heated electrically. Originally, most houses were heated by resistance wire furnaces, and some by baseboard heating units where the crawlspace is very shallow. Some owners have installed heat pumps to replace the furnaces, to provide cooling in the summer months and reduce the electricity consumption. Some owners obtain supplemental heating from a wood- or propane-fueled fireplace which exhausts through the chimney. Some owners obtain supplemental heating in their sunrooms and/or upper rooms from baseboard heating units.

The unit washrooms, dryers and kitchens are ventilated by individual exhaust fan units which vent through the side walls or the soffits.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the HVAC systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The in-unit furnaces, heat pumps, gas and wood fireplaces, and exhaust fans are the responsibility of the individual unit owners. Therefore, we have not budgeted for replacement.

Based on discussions with the Strata, we understand that the Strata is responsible for inspecting the wood burning fireplaces, and this work is completed annually, funded from operating budgets. The individual unit owners are responsible for the cleaning and any repairs arising from the flue inspections, so we have not budgeted for flue maintenance, repairs or replacement.

Photo 29: Typical heat pump.

Photo 30: Typical fireplace inside a unit.

6. PLUMBING

6.1 DOMESTIC WATER HEATERS

BRIEF DESCRIPTION:

Domestic hot water for each townhouse unit is provided by individual electric hot water heating tanks in the units.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the domestic water heaters.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The hot water heating tanks are the responsibility of the individual owners. Therefore, we have not budgeted for their replacement.

Photo 31: Typical hot water heating tank.

6. PLUMBING

6.2 DOMESTIC WATER PIPING/VALVES

BRIEF DESCRIPTION:

Domestic water is supplied to each unit from a main underground supply. The main shutoff valve for each pod is at the pod's roadway entrance. There are also shutoff valves located in the crawlspace of each unit. Where observed inside the crawlspaces, there is polybutylene (Poly-B) piping in the units.

Based on the documents provided, there are seven backflow preventers in the irrigation systems.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the domestic water piping or valves.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The distribution piping in the units is the responsibility of the individual owners, so no projects are included in this report. However, Poly-B piping has been installed in the units. Poly-B piping is still approved for use in Canada but is no longer installed in the North American market due to concerns with leakage. It is believed that the piping is susceptible to deterioration due to reactions with chlorine in the water, which combined with other factors (i.e., heat, high water pressure and high-stress joints), can lead to the Poly-B becoming brittle and prone to bursting. We understand that there has not been an issue with leakage to date, but the Strata should monitor the units for potential leakage associated with this piping. It is recommended that all Poly-B piping be replaced with a more durable material, such as PEX.

Photo 32: Water line splitting to supply domestic water to each unit within a pod.

Photo 33: Water shutoff inside a unit.

The condition of the buried piping cannot be evaluated visually. However, we were not made aware of any recent issues with the buried water mains. Based on the age of the complex we have budgeted for periodic repairs to address leaks in the water main piping, valves, etc. We assume local repairs to address leaks in the branch piping and smaller valves will be completed on an as-needed basis as part of ongoing maintenance funded out of operating budgets.

We assume that the seven backflow preventers will be tested annually and repaired/replaced as needed, funded out of operating budgets.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Water Main Repair Allowance	$30,000	2029 2034 2039 2044	5

6. PLUMBING

6.3 DRAINAGE AND SITE SERVICES

BRIEF DESCRIPTION:

There are at-grade catch basins near roadways and a trench drain near the property entrance roadway. There are ditches at the side of roadways and concrete culverts running under roadways throughout. The watermains and subsidiary water lines generally run beside the roadways and paved areas, crossing underneath only where necessary. The storm drain system runs in the roadside ditches, crossing under roadways through culverts where necessary and then descend to the pond. The effluent lines between the septic tank locations and the tile drainage filed cross under the roadways where necessary. The watermains are standard municipal grade 6" plastic pipes running from the District of North Saanich water meter at least as far as the hydrants, stepped down to 3" and 2" PVC for the leads to the pod water valve boxes for final distribution to the townhouses.

There is an underground perimeter drain at each pod that is connected to the storm system.

The site sanitary system includes 25 dual septic tanks with pumping chambers (with fractional hp pumps and high-level alarms) located at each pod. The septic tanks pump out to their respective septic drainage field. Based on our conversation with the Strata we understand all of the septic tanks are concrete except for one pair, recently installed, which is made from fiberglass.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2021:	Replaced perimeter drain at pod S at a reported cost of $19,500.
2022:	Replaced one septic tank at pod D at a reported cost of $19,387.
2024:	Septic field Y rehabilitated at a reported cost $17,632.

Photo 34: Typical ditch and culvert.

Photo 35: Typical septic tanks.

Photo 36: Typical septic drainage field.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The Strata is responsible for the water distribution from the watermain connection at the District water meter to the main shut-off valve in each townhouse and to the Strata irrigation system. Water distribution piping within the Strata lots is an owner responsibility. The Strata is responsible for all aspects of the sewage system from the point where house drains enter the crawlspaces under the Strata lots, through the septic tanks and onward to the distribution pipes in the effluent tile fields.

We were not made aware of any issues with the drainage systems or site services.

The condition of the buried and concealed piping cannot be evaluated visually. We recommend that the drain piping be flushed and scoped routinely funded out of operating budgets, which will help maximize the service life of the piping and help identify repair needs.

Buried sanitation and water systems may require a significant upgrade or renewal every 40 to 70 years. Performance of the services should be closely monitored. Pending further information, we have budgeted an allowance for periodic local emergency type repairs, as well as an allowance for upgrades/replacement for a significant portion of the site services below the roadways coinciding with replacement of the asphalt paving near the end of the report term (see the *Site Features and Paving* section of this report for further discussion). Actual repairs and related costs should be closely tracked, and budgets modified to suit, in future updates to the Depreciation Report.

We have budgeted for inevitable periodic repairs that will be required to the site services as they age. Actual repairs and related costs should be closely tracked, and budgets modified to suit in future updates to the Depreciation Report.

We understand that the septic tanks are inspected annually, and pumped out as required funded out of operating budgets, up to a maximum cycle of every 5 years as required by the CRD. We were not made aware of any issues with the septic tanks. Based on the proactive maintenance approach by the Strata, we understand that Strata will continue to maintain the septic tanks rather than complete widespread replacement. We have provided an allowance to replace septic tanks that can no longer be repaired every five years. For the purposes of this report, we assume that the concrete septic tanks will be replaced with new plastic tanks.

We assume that the septic tank pumps and related controls will be replaced on an individual as-needed basis funded out of operating budgets.

We understand that the Strata recently started examining the septic drainage fields, 3 fields per year, to better understand their current conditions. Septic drainage fields can last for up to 50 years with regular maintenance and assuming they were installed properly. Pending the results from the septic drainage field evaluations, we have provided a periodic allowance to replace individual septic drainage fields as needed.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Buried Drainage Piping Repair/Replacement Allowance	$20,000	2028 2033 2038 2043	5
Buried Site Services Upgrade/Replacement Allowance	$300,000	2052 2053 2054	50
Replace Septic Tanks Allowance	$50,000	2029 2034 2039 2044 2049 2054	5
Replace Septic Drainage Fields Allowance	$150,000	2038 2043 2048 2053	5

7. ELECTRICAL

7.1 GENERAL

BRIEF DESCRIPTION:

Electricity is supplied by BC Hydro underground to various pad-mounted transformers across the complex. Based on the markings on the transformers, we assume that BC Hydro owns and is responsible for the transformers.

Electricity is then supplied to the buildings, utility shed, the streetlights, and the septic system pumps underground. Each townhouse unit has a circuit-breaker-type panel rated at 200A, 120/240V. Individual meters for each townhouse unit are located on an exterior wall next to the entrances. The utility shed has a circuit-breaker-type panel rated at 125A, 120/240V which powers the main and service gates, several outlets and the Strata irrigation system. The meter for the utility shed is located on an exterior wall. Power is provided to all septic tank pumps and to all streetlights through a series of six distribution points, each with its own electricity meter. A typical distribution point is shown in Phot 38. Each distribution point also carries an alarm light to warn of problems with the septic system.

We were not able to confirm the type of wiring throughout the buildings. However, we expect that copper wiring is installed throughout based on the age of construction.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2025: Completing the electrical planning report, as reported by the Strata.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We were not made aware of any problems with electrical performance or service capacity.

Based on documents provided, we understand the Strata will obtain an Electrical Planning Report in 2025, consistent with mandates set out by the BC Government.

Photo 37: Typical BC hydro pad transformer and meter for septic pumps and streetlights.

Photo 38: Typical meter for a townhouse unit.

Photo 39: Electrical panel inside utility shed.

Major electrical equipment has an average service life of about 40 to 50 years. Given the age of the buildings, it is likely that some capital expenditures will be needed, but it is difficult to predict the scope and timing of such work. Due to the limited electrical equipment, we assume that minor repairs and/or replacement of individual panels or meters will be funded out of operating budgets.

We recommend that all electrical panels and major equipment be thermally scanned every three years as a minimum. This is to identify hot spots that require repair. The scans and related required repairs (such as minor tightening, etc.) are assumed to be funded out of the operating budgets.

7. ELECTRICAL

7.2 LIGHTING

BRIEF DESCRIPTION:

The common area lighting systems include the following:

- *Townhouse Unit Exterior Walls*: There are wall-mounted light fixtures (lamp types not confirmed).
- *Utility Shed*: There are ceiling-mounted light fixtures with LED lamps.
- *Site*: There are 30 pole-mounted light fixtures with LED lamps (confirmed by Strata) throughout the complex. There are light fixtures mounted on the top of the complex sign and entrance gate columns with LED lamps (confirmed by Strata).

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2019: Replaced lamps at pole-mounted fixtures with LED lamps, as reported by the Strata.

PRESENT CONDITIONS AND RECOMMENDATIONS:

The light fixtures are in serviceable condition, where reviewed.

We understand that owners have agreed to accept responsibility for repair and maintenance of the light fixtures mounted on the exterior walls of the townhouses, so no budgets have been included for their replacement.

We assume that the replacement of the site and utility shed lighting will be completed on an as-needed basis as part of regular maintenance funded out of operating budgets.

Photo 40: Typical wall-mounted light fixture at townhouse units.

Photo 41: Typical pole-mounted fixture.

Photo 42: Complex entrance light fixtures.

8. WASTE

8.1 GENERAL

BRIEF DESCRIPTION:

Each townhouse unit has their own garbage and recycling containers. Organic waste containers for the complex are located behind the mailbox kiosk.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

There are no reports of significant capital projects having been completed in relation to the waste systems.

PRESENT CONDITIONS AND RECOMMENDATIONS:

We assume that the garbage and recycling bins are the responsibility of the service contractors based on markings on the bins, so we have not budgeted for replacement of the bins.

Photo 43: Typical townhouse recycling containers

Photo 44: Organic waste containers.

9. SECURITY SYSTEMS

9.1 GENERAL

BRIEF DESCRIPTION:

The complex has the following security/access control system:

- *Keypad*: There is an access control keypad at the two entrances to the complex off Wain Road. The keypads open the automatic gates at night.

MAINTENANCE, REPAIR AND RENEWAL HISTORY:

2009: Replaced enterphone system, as reported by the Strata.

PRESENT CONDITIONS AND RECOMMENDATIONS:

No problems were reported by the Strata. Local upgrades/replacements to the keypads are assumed to be managed from the operating budgets.

Photo 45: Enterphone and keypad at main entrance to complex.

Photo 46: Keypad providing access to RV storage lot.

10. CONSULTING SERVICES

10.1 DEPRECIATION REPORTS

BRIEF DESCRIPTION:

We have budgeted for this Depreciation Report as well as future updates to this Depreciation Report every five years as per requirements of the *Strata Property Act*.

CAPITAL PROJECTS:

Description	Present Cost	Timing (Year)	Cycle (Years)
Depreciation Report	$10,000	2025	N/A
Depreciation Report Update	$9,000	2030 2035 2040 2045 2050	5

Projected Expenditures

Inflation Rate (%) = 3.0%
Analysis Timeframe (yrs) = 10

Item No.	Component	Project Description	Present Cost	Occurrences	Cycle	Projected Expenditures 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	**STRUCTURE**														
1.2	Main Decks	Immediate Main Deck Repairs	$30,000	2025	N/A	$30,000									
		Periodic Main Deck Repair Allowance	$20,000	2027, 2029, 2031	2			$21,218		$22,510		$23,881			
		Evaluate Main Decks	$10,000	2031	N/A							$11,941			
		Replace Composite Plank Flooring at Main Decks, Including Replacing Railings (Phased – 5 Pods Per Year)	$360,000	2033, 2034, 2035, 2036, 2037	25									$456,037	$469,718
2	**BUILDING ENVELOPE**														
2.1	Exterior Walls	Building Envelope Condition Assessment	$18,000	2029	N/A					$20,259					
		Repair Exterior Walls Allowance	$100,000	2030, 2035, 2040, 2045, 2050	5						$115,927				
		Reclad Utility Shed	$5,000	2037	45										
2.2	Windows, and Main Deck and Upper Deck Doors														
		Repair/Replace Windows, Main Deck and Upper Deck Doors Allowance	$40,000	2030, 2035, 2040, 2045, 2050	5						$46,371				
2.3	Exterior Doors	Repair/Replace Townhouse Entrance Doors Allowance	$5,000	2030, 2035, 2040, 2045, 2050	5						$5,796				
		Replace Garage Overhead Doors (Phased – 5 Pods Per Year)	$45,000	2037, 2038, 2039, 2040, 2041	25										
2.4	Sloped Glazing	Repair Solariums	$50,000	2025	N/A	$50,000									
		Overhaul Solarium Allowance (Phased)	$150,000	2032, 2033, 2034	45								$184,481	$190,016	$195,716
2.5	Roofing														
		Re-waterproof Upper Decks and Replace Railings	$295,000	2027	N/A			$312,966							
		Re-waterproof Upper Decks	$265,000	2052	25										
		Replace Sloped and Flat Roofs (Phased Over 3 Years)	$765,000	2032, 2033, 2034	25								$940,854	$969,079	$998,151
4	**SITE**														
4.1	Site Features and Paving	Replace Post and Wire Fencing (Phased)	$85,000	2026, 2028, 2030, 2032, 2051, 2053	25		$87,550		$92,882		$98,538		$104,539		
		Repair Brick Paved Entrance to Property	$25,000	2025, 2050	25	$25,000									
		Pond Timber Retaining Wall Repair Allowance	$10,000	2026, 2036, 2046	10		$10,300								
		Replace Entrance Gates	$12,000	2030	25						$13,911				
		Replace Service Gate	$6,000	2035	25										
		Driveway/Entrance Unit Paving Renewal Allowance	$100,000	2027, 2032, 2037, 2042, 2047, 2052	5			$106,090					$122,987		
		Mill/Overlay Asphalt-Paved Roadways (Phased Over Two Years)	$350,000	2033, 2034	N/A									$443,370	$456,671
		Replace Asphalt-Paved Roadways (Phased Over Three Years)	$475,000	2052, 2053, 2054	N/A										
4.2	Equipment	Replace Tractor	$40,000	2041	20										
		Replace Wood Chipper	$5,000	2041	20										
6	**PLUMBING**														
6.2	Domestic Water Piping/Valves	Water Main Repair Allowance	$30,000	2029, 2034, 2039, 2044	5					$33,765					$39,143
6.3	Drainage and Site Services	Buried Drainage Piping Repair/Replacement Allowance	$20,000	2028, 2033, 2038, 2043	5				$21,855					$25,335	
		Buried Site Services Upgrade/Replacement Allowance	$300,000	2052, 2053, 2054	50										
		Replace Septic Tanks Allowance	$50,000	2029, 2034, 2039, 2044, 2049, 2054	5					$56,275					$65,239
		Replace Septic Drainage Fields Allowance	$150,000	2038, 2043, 2048, 2053	5										

Projected Expenditures

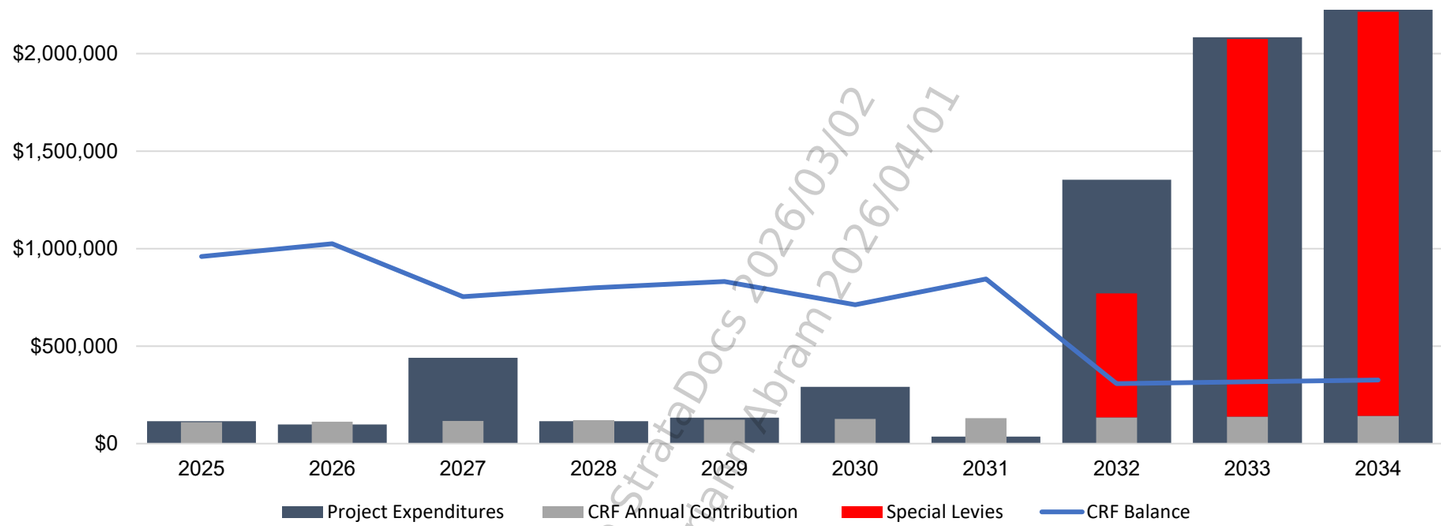
10 CONSULTING SERVICES													
10.1 Depreciation Reports	Depreciation Report	$10,000	2025	N/A	$10,000								
	Depreciation Report Update	$9,000	2030, 2035, 2040, 2045, 2050	5						$10,433			
				Total:	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**

Projected Expenditures

Inflation Rate (%) = 3.0%
Analysis Timeframe (yrs) = 30

Item No.	Component	Project Description	Present Cost	Occurrences	Cycle	Projected Expenditures 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
1	**STRUCTURE**																																		
1.2	Main Decks	Immediate Main Deck Repairs	$30,000	2025	N/A	$30,000																													
		Periodic Main Deck Repair Allowance	$20,000	2027, 2029, 2031	2			$21,218		$22,510		$23,881																							
		Evaluate Main Decks	$10,000	2031	N/A							$11,941																							
		Replace Composite Plank Flooring at Main Decks, Including Replacing Railings (Phased – 5 Pods Per Year)	$360,000	2033, 2034, 2035, 2036, 2037	25									$456,037	$469,718	$483,810	$498,324	$513,274																	
2	**BUILDING ENVELOPE**																																		
2.1	Exterior Walls	Building Envelope Condition Assessment	$18,000	2029	N/A					$20,259																									
		Repair Exterior Walls Allowance	$100,000	2030, 2035, 2040, 2045, 2050	5						$115,927					$134,392					$155,797					$180,611					$209,378				
		Reclad Utility Shed	$5,000	2037	45													$7,129																	
2.2	Windows, and Main Deck and Upper Deck Doors																																		
		Repair/Replace Windows, Main Deck and Upper Deck Doors Allowance	$40,000	2030, 2035, 2040, 2045, 2050	5						$46,371					$53,757					$62,319					$72,244					$83,751				
2.3	Exterior Doors	Repair/Replace Townhouse Entrance Doors Allowance	$5,000	2030, 2035, 2040, 2045, 2050	5						$5,796					$6,720					$7,790					$9,031					$10,469				
		Replace Garage Overhead Doors (Phased – 5 Pods Per Year)	$45,000	2037, 2038, 2039, 2040, 2041	25													$64,159	$66,084	$68,067	$70,109	$72,212													
2.4	Sloped Glazing	Repair Solariums	$50,000	2025	N/A	$50,000																													
		Overhaul Solarium Allowance (Phased)	$150,000	2032, 2033, 2034	45								$184,481	$190,016	$195,716																				
2.5	Roofing																																		
		Re-waterproof Upper Decks and Replace Railings	$295,000	2027	N/A			$312,966																											
		Re-waterproof Upper Decks	$265,000	2052	25																												$588,642		
		Replace Sloped and Flat Roofs (Phased Over 3 Years)	$765,000	2032, 2033, 2034	25								$940,854	$969,079	$998,151																				
4	**SITE**																																		
4.1	Site Features and Paving	Replace Post and Wire Fencing (Phased)	$85,000	2026, 2028, 2030, 2032, 2051, 2053	25		$87,550		$92,882		$98,538		$104,539																			$183,310		$194,474	
		Repair Brick Paved Entrance to Property	$25,000	2025, 2050	25	$25,000																									$52,344				
		Pond Timber Retaining Wall Repair Allowance	$10,000	2026, 2036, 2046	10		$10,300										$13,842									$18,603									
		Replace Entrance Gates	$12,000	2030	25						$13,911																								
		Replace Service Gate	$6,000	2035	25											$8,063																			
		Driveway/Entrance Unit Paving Renewal Allowance	$100,000	2027, 2032, 2037, 2042, 2047, 2052	5			$106,090					$122,987					$142,576					$165,285				$191,610					$222,129			
		Mill/Overlay Asphalt-Paved Roadways (Phased Over Two Years)	$350,000	2033, 2034	N/A									$443,370	$456,671																				
		Replace Asphalt-Paved Roadways (Phased Over Three Years)	$475,000	2052, 2053, 2054	N/A																											$1,055,112	$1,086,766	$1,119,369	
4.2	Equipment	Replace Tractor	$40,000	2041	20																	$64,188													
		Replace Wood Chipper	$5,000	2041	20																	$8,024													
6	**PLUMBING**																																		
6.2	Domestic Water Piping/Valves	Water Main Repair Allowance	$30,000	2029, 2034, 2039, 2044	5					$33,765					$39,143					$45,378					$52,605									
6.3	Drainage and Site Services	Buried Drainage Piping Repair/Replacement Allowance	$20,000	2028, 2033, 2038, 2043	5				$21,855					$25,335					$29,371				$34,049												
		Buried Site Services Upgrade/Replacement Allowance	$300,000	2052, 2053, 2054	50																											$666,387	$686,378	$706,970	
		Replace Septic Tanks Allowance	$50,000	2029, 2034, 2039, 2044, 2049, 2054	5					$56,275					$65,239					$75,629					$87,675					$101,640				$117,828
		Replace Septic Drainage Fields Allowance	$150,000	2038, 2043, 2048, 2053	5														$220,280					$255,365				$296,038					$343,189		
10	**CONSULTING SERVICES**																																		
10.1	Depreciation Reports	Depreciation Report	$10,000	2025	N/A	$10,000																													
		Depreciation Report Update	$9,000	2030, 2035, 2040, 2045, 2050	5						$10,433					$12,095					$14,022					$16,255					$18,844				
					Total:	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**	**$698,837**	**$512,167**	**$727,138**	**$315,735**	**$189,074**	**$310,036**	**$144,424**	**$165,285**	**$289,414**	**$140,280**	**$278,141**	**$18,603**	**$191,610**	**$296,038**	**$101,640**	**$374,786**	**$183,310**	**$2,532,269**	**$2,310,807**	**$1,944,167**

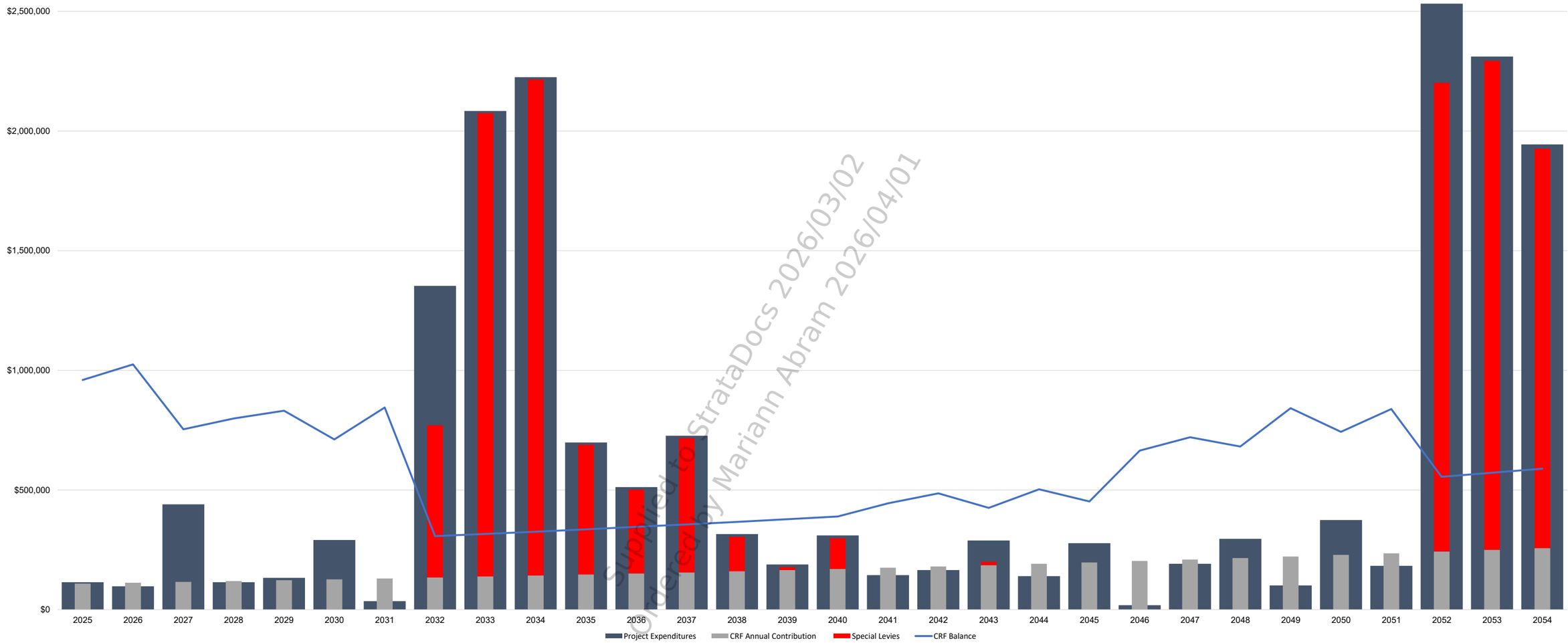
Cash Flow 1 - Status Quo



1st Year Minimum Balance =	**$250,000**
Starting Balance =	**$917,767**
1st Year Contribution =	**$109,367**
Contribution Increase Rate =	**3.0%**
Interest Rate =	**4.8%**
Inflation Rate =	**3.0%**

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**
CRF Annual Contribution	**$109,367**	**$112,648**	**$116,027**	**$119,508**	**$123,094**	**$126,786**	**$130,590**	**$134,508**	**$138,543**	**$142,699**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$636,009**	**$1,935,775**	**$2,072,135**
CRF Balance	**$960,055**	**$1,024,935**	**$754,044**	**$798,970**	**$831,707**	**$711,673**	**$844,809**	**$307,468**	**$316,693**	**$326,193**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**	**$298,513**	**$307,468**	**$316,693**	**$326,193**
YOY% Contribution Increase		**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$1,501.97**	**$1,547.03**	**$1,593.44**	**$1,641.25**	**$1,690.48**	**$1,741.20**	**$1,793.43**	**$1,847.24**	**$1,902.66**

Cash Flow 1 - Status Quo

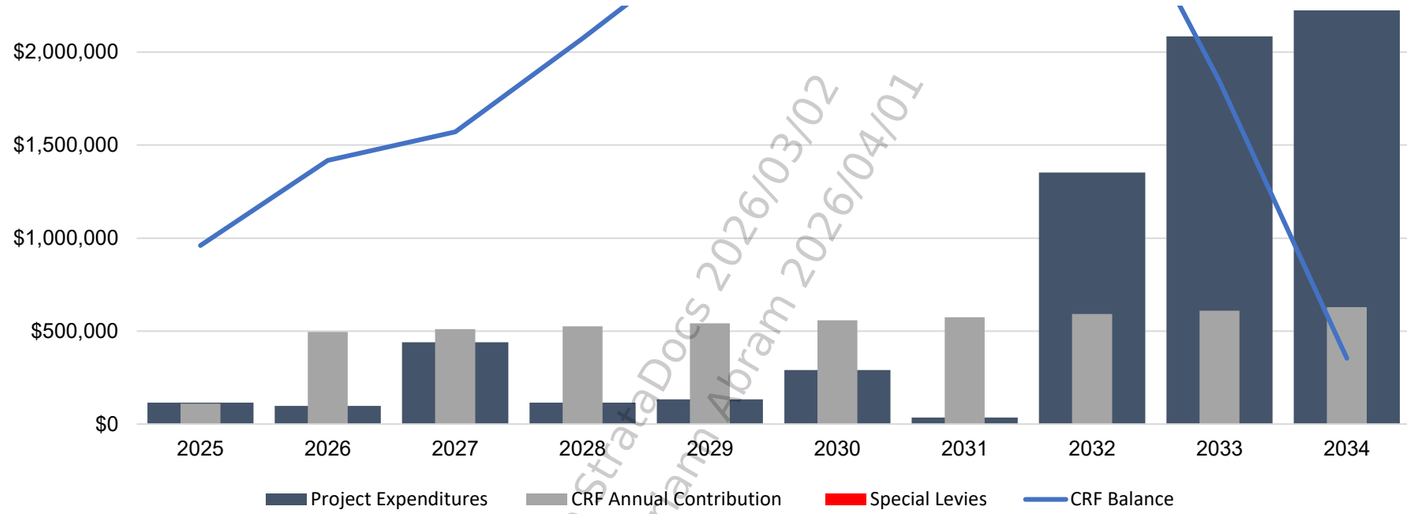


1st Year Minimum Balance =	**$250,000**
Starting Balance =	**$917,767**
1st Year Contribution =	**$109,367**
Contribution Increase Rate =	**3.0%**
Interest Rate =	**4.8%**
Inflation Rate =	**3.0%**

Notes:
- No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
- Project expenditures occur at the end of the year allowing interest to be acrued on the CRF balance.
- CRF balances are for end of year.

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Project Expenditures	$115,000	$97,850	$440,274	$114,736	$132,810	$290,978	$35,822	$1,352,861	$2,083,837	$2,224,638	$698,837	$512,167	$727,138	$315,735	$189,074	$310,036	$144,424	$165,285	$289,414	$140,280	$278,141	$18,603	$191,610	$296,038	$101,640	$374,786	$183,310	$2,532,269	$2,310,807	$1,944,167
CRF Annual Contribution	$109,367	$112,648	$116,027	$119,508	$123,094	$126,786	$130,590	$134,508	$138,543	$142,699	$146,980	$151,390	$155,931	$160,609	$165,427	$170,390	$175,502	$180,767	$186,190	$191,776	$197,529	$203,455	$209,558	$215,845	$222,321	$228,990	$235,860	$242,936	$250,224	$257,730
Special Levies	$0	$0	$0	$0	$0	$0	$0	$636,009	$1,935,775	$2,072,135	$541,758	$350,375	$560,493	$144,091	$12,280	$127,938	$0	$0	$13,685	$0	$0	$0	$0	$0	$0	$0	$0	$1,958,587	$2,043,391	$1,668,728
CRF Balance	$960,055	$1,024,935	$754,044	$798,970	$831,707	$711,673	$844,809	$307,468	$316,693	$326,193	$335,979	$346,058	$356,440	$367,133	$378,147	$389,492	$444,313	$486,368	$425,608	$503,048	$452,333	$664,749	$720,845	$681,720	$841,719	$743,268	$838,513	$555,322	$571,982	$589,141
Min Required CRF Balance	$250,000	$257,500	$265,225	$273,182	$281,377	$289,819	$298,513	$307,468	$316,693	$326,193	$335,979	$346,058	$356,440	$367,133	$378,147	$389,492	$401,177	$413,212	$425,608	$438,377	$451,528	$465,074	$479,026	$493,397	$508,199	$523,444	$539,148	$555,322	$571,982	$589,141
YOY% Contribution Increase		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Avg. Annual Contribution per Unit	$1,458.23	$1,501.97	$1,547.03	$1,593.44	$1,641.25	$1,690.48	$1,741.20	$1,793.43	$1,847.24	$1,902.66	$1,959.73	$2,018.53	$2,079.08	$2,141.46	$2,205.70	$2,271.87	$2,340.03	$2,410.23	$2,482.53	$2,557.01	$2,633.72	$2,712.73	$2,794.11	$2,877.94	$2,964.27	$3,053.20	$3,144.80	$3,239.14	$3,336.32	$3,436.41

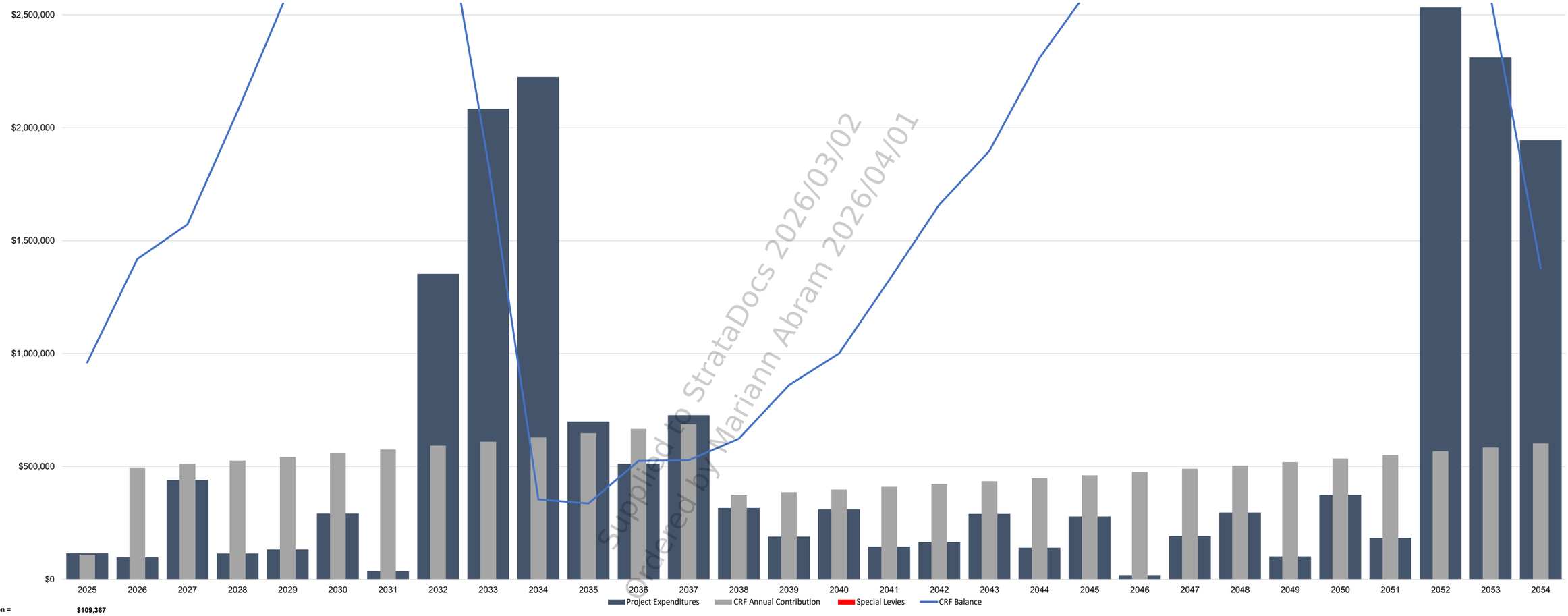
Cash Flow 2 - Fully Funded



1st Year Minimum Balance =	**$250,000**
Starting Balance =	**$917,767**
Starting Contribution =	**$495,787**
Contribution Increase Rate =	**3.0%**
Interest Rate =	**4.8%**
Inflation Rate =	**3.0%**

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**
CRF Annual Contribution	**$109,367**	**$495,787**	**$510,661**	**$525,980**	**$541,760**	**$558,013**	**$574,753**	**$591,996**	**$609,755**	**$628,048**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
CRF Balance	**$960,055**	**$1,418,183**	**$1,571,635**	**$2,073,877**	**$2,598,887**	**$3,008,173**	**$3,709,881**	**$3,146,680**	**$1,843,096**	**$353,518**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**	**$298,513**	**$307,468**	**$316,693**	**$326,193**
YOY% Contribution Increase		**353.3%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$6,610.49**	**$6,808.81**	**$7,013.07**	**$7,223.46**	**$7,440.17**	**$7,663.37**	**$7,893.27**	**$8,130.07**	**$8,373.98**

Cash Flow 2 - Fully Funded

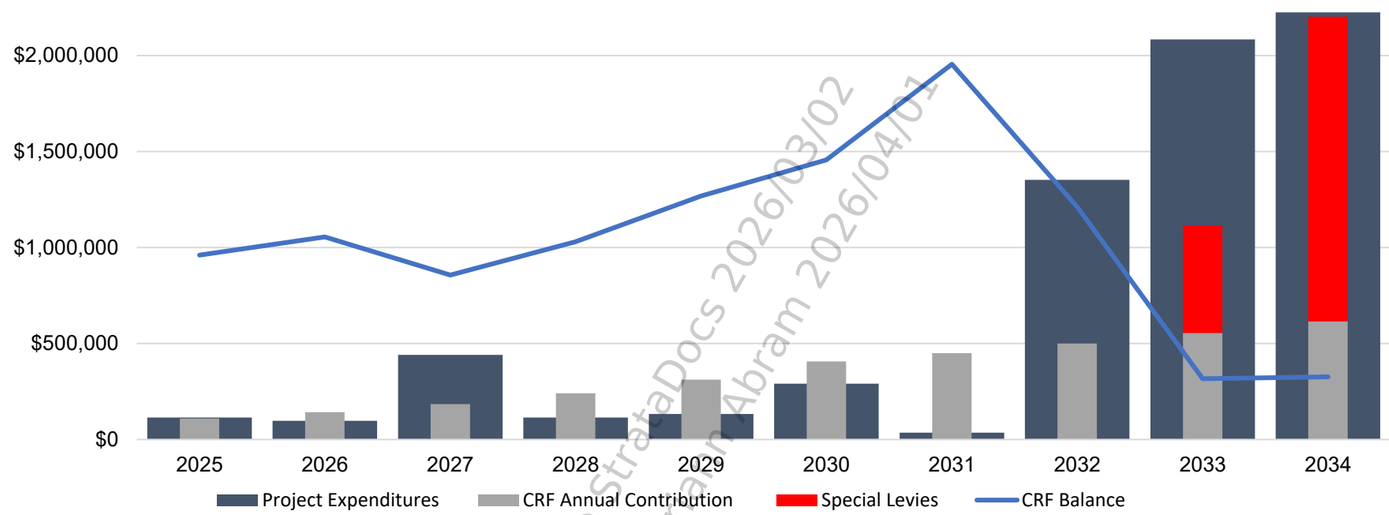


1st Year Contribution =	**$109,367**				
1st Year Minimum Balance =	**$250,000**	**1st Year of Revised Contribution =**	**2038**		
Starting Balance =	**$917,767**	**Revised 1st Year Contribution =**	**$375,000**		
		Revised Contribution Increase Rate =	**3.0%**		
Contribution Increase Rate =	**3.0%**				
Interest Rate =	**4.8%**				
Inflation Rate =	**3.0%**				

Notes:
- This funding model assumes that contributions are large enough that there are no special levies.
- No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
- Project expenditures occur at the end of the year allowing interest to be acrued on the CRF balance.
- CRF balances are for end of year.

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**	**$698,837**	**$512,167**	**$727,138**	**$315,735**	**$189,074**	**$310,036**	**$144,424**	**$165,285**	**$289,414**	**$140,280**	**$278,141**	**$18,603**	**$191,610**	**$296,038**	**$101,640**	**$374,786**	**$183,310**	**$2,532,269**	**$2,310,807**	**$1,944,167**
CRF Annual Contribution	**$109,367**	**$495,787**	**$510,661**	**$525,980**	**$541,760**	**$558,013**	**$574,753**	**$591,996**	**$609,755**	**$628,048**	**$646,890**	**$666,296**	**$686,285**	**$375,000**	**$386,250**	**$397,838**	**$409,773**	**$422,066**	**$434,728**	**$447,770**	**$461,203**	**$475,039**	**$489,290**	**$503,969**	**$519,088**	**$534,660**	**$550,700**	**$567,221**	**$584,238**	**$601,765**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
CRF Balance	**$960,055**	**$1,418,183**	**$1,571,635**	**$2,073,877**	**$2,598,887**	**$3,008,173**	**$3,709,881**	**$3,146,680**	**$1,843,096**	**$353,518**	**$335,986**	**$524,183**	**$527,160**	**$622,187**	**$860,086**	**$1,000,589**	**$1,325,850**	**$1,658,827**	**$1,897,010**	**$2,309,400**	**$2,617,954**	**$3,215,387**	**$3,683,756**	**$4,085,747**	**$4,717,380**	**$5,122,844**	**$5,756,143**	**$4,088,516**	**$2,577,986**	**$1,377,965**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**	**$298,513**	**$307,468**	**$316,693**	**$326,193**	**$335,979**	**$346,058**	**$356,440**	**$367,133**	**$378,147**	**$389,492**	**$401,177**	**$413,212**	**$425,608**	**$438,377**	**$451,528**	**$465,074**	**$479,026**	**$493,397**	**$508,199**	**$523,444**	**$539,148**	**$555,322**	**$571,982**	**$589,141**
YOY% Contribution Increase		**353.3%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**-45.4%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$6,610.49**	**$6,808.81**	**$7,013.07**	**$7,223.46**	**$7,440.17**	**$7,663.37**	**$7,893.27**	**$8,130.07**	**$8,373.98**	**$8,625.19**	**$8,883.95**	**$9,150.47**	**$5,000.00**	**$5,150.00**	**$5,304.50**	**$5,463.64**	**$5,627.54**	**$5,796.37**	**$5,970.26**	**$6,149.37**	**$6,333.85**	**$6,523.87**	**$6,719.58**	**$6,921.17**	**$7,128.80**	**$7,342.67**	**$7,562.95**	**$7,789.84**	**$8,023.53**

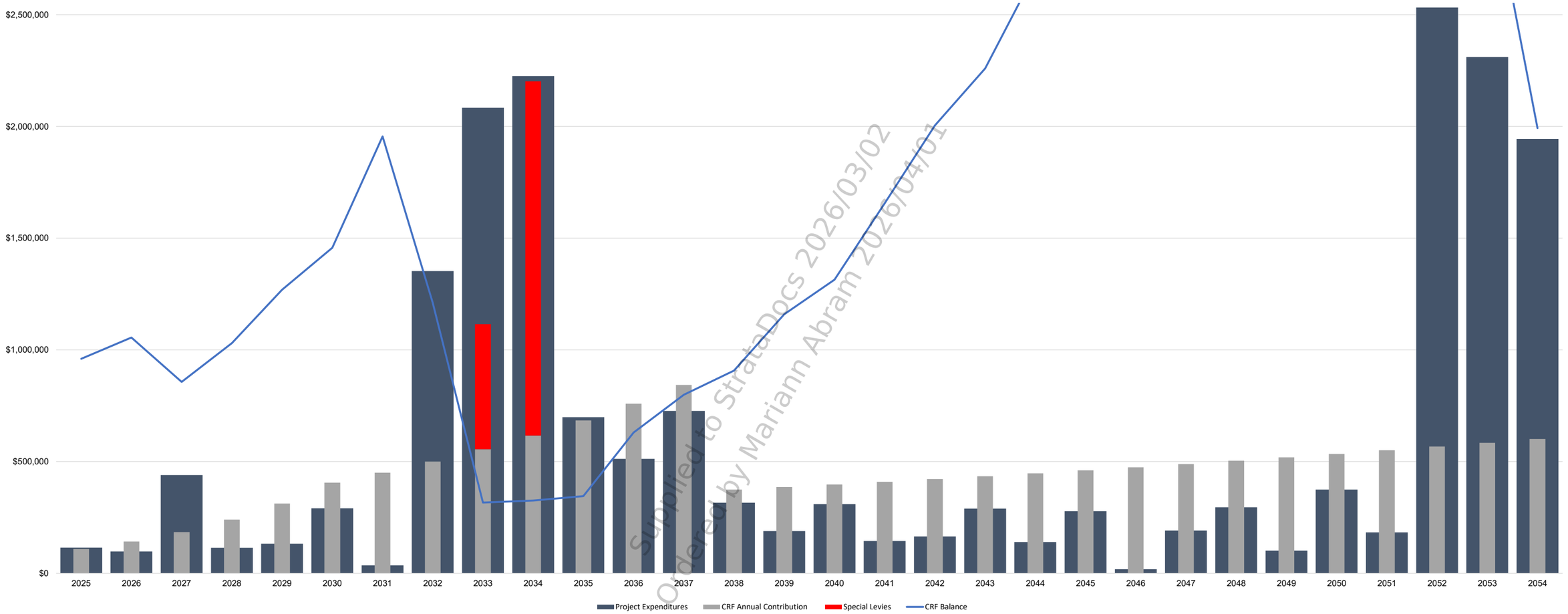
Cash Flow 3 - Gradual Funding Increase



1st Year Minimum Balance =	**$250,000**	**1st Year Revised Contribution =**	**2031**
Starting Balance =	**$917,767**	**Revised 1st Year Contribution =**	**$450,740**
1st Year Contribution =	**$109,367**	**Revised Contribution Increase Rate =**	**11.0%**
Contribution Increase Rate =	**30.0%**		
Interest Rate =	**4.8%**		
Inflation Rate =	**3.0%**		

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project Expenditures	**$115,000**	**$97,850**	**$440,274**	**$114,736**	**$132,810**	**$290,978**	**$35,822**	**$1,352,861**	**$2,083,837**	**$2,224,638**
CRF Annual Contribution	**$109,367**	**$142,177**	**$184,830**	**$240,279**	**$312,363**	**$406,072**	**$450,740**	**$500,321**	**$555,357**	**$616,446**
Special Levies	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$559,381**	**$1,585,888**
CRF Balance	**$960,055**	**$1,055,243**	**$856,458**	**$1,030,367**	**$1,268,722**	**$1,456,787**	**$1,955,083**	**$1,211,681**	**$316,693**	**$326,193**
Min Required CRF Balance	**$250,000**	**$257,500**	**$265,225**	**$273,182**	**$281,377**	**$289,819**	**$298,513**	**$307,468**	**$316,693**	**$326,193**
YOY% Contribution Increase		**30.0%**	**30.0%**	**30.0%**	**30.0%**	**30.0%**	**11.0%**	**11.0%**	**11.0%**	**11.0%**
Avg. Annual Contribution per Unit	**$1,458.23**	**$1,895.69**	**$2,464.40**	**$3,203.72**	**$4,164.84**	**$5,414.29**	**$6,009.87**	**$6,670.95**	**$7,404.76**	**$8,219.28**

Cash Flow 3 - Gradual Funding Increase



1st Year Minimum Balance =	$250,000	1st Year Revised Contribution =	2031	1st Year of 2nd Revised Contribution =	2038
Starting Balance =	$917,767	Revised 1st Year Contribution =	$450,740	Revised 1st Year Contribution =	$375,000
1st Year Contribution =	$109,367	Revised Contribution Increase Rate =	11.0%	Revised Contribution Increase Rate =	3.0%
Contribution Increase Rate =	30.0%				
Interest Rate =	4.8%				
Inflation Rate =	3.0%				

Notes:
- This funding model incorporates customized funding objectives into a baseline funding model (i.e., this model assumes a minimum reserve balance and a lower dependency on special levies than Cash Flow 1).
- No interest is collected from special levies as it is assumed funds will be collected just before expenditures.
- Project expenditures occur at the end of the year allowing interest to be acrued on the CRF balance.
- CRF balances are for end of year.

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Project Expenditures	$115,000	$97,850	$440,274	$114,736	$132,810	$290,978	$35,822	$1,352,861	$2,083,837	$2,224,638	$698,837	$512,167	$727,138	$315,735	$189,074	$310,036	$144,424	$165,285	$289,414	$140,280	$278,141	$18,603	$191,610	$296,038	$101,640	$374,786	$183,310	$2,532,269	$2,310,807	$1,944,167
CRF Annual Contribution	$109,367	$142,177	$184,830	$240,279	$312,363	$406,072	$450,740	$500,321	$555,357	$616,446	$684,255	$759,523	$843,071	$375,000	$386,250	$397,838	$409,773	$422,066	$434,728	$447,770	$461,203	$475,039	$489,290	$503,969	$519,088	$534,660	$550,700	$567,221	$584,238	$601,765
Special Levies	$0	$0	$0	$0	$0	$0	$0	$0	$559,381	$1,585,888	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CRF Balance	$960,055	$1,055,243	$856,458	$1,030,367	$1,268,722	$1,456,787	$1,955,083	$1,211,681	$316,693	$326,193	$345,672	$630,031	$799,124	$907,497	$1,159,395	$1,314,586	$1,655,254	$2,004,395	$2,259,536	$2,689,715	$3,016,931	$3,633,942	$4,122,850	$4,546,387	$5,200,623	$5,629,800	$6,287,976	$4,646,446	$3,163,294	$1,991,994
Min Required CRF Balance	$250,000	$257,500	$265,225	$273,182	$281,377	$289,819	$298,513	$307,468	$316,693	$326,193	$335,979	$346,058	$356,440	$367,133	$378,147	$389,492	$401,177	$413,212	$425,608	$438,377	$451,528	$465,074	$479,026	$493,397	$508,199	$523,444	$539,148	$555,322	$571,982	$589,141
YOY% Contribution Increase		30.0%	30.0%	30.0%	30.0%	30.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	-55.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Avg. Annual Contribution per Unit	$1,458.23	$1,895.69	$2,464.40	$3,203.72	$4,164.84	$5,414.29	$6,009.87	$6,670.95	$7,404.76	$8,219.28	$9,123.40	$10,126.97	$11,240.94	$5,000.00	$5,150.00	$5,304.50	$5,463.64	$5,627.54	$5,796.37	$5,970.26	$6,149.37	$6,333.85	$6,523.87	$6,719.58	$6,921.17	$7,128.80	$7,342.67	$7,562.95	$7,789.84	$8,023.53

APPENDIX F – INFORMATION MADE AVAILABLE

The Strata Corporation made available various documents for our review, to assist in preparing this Depreciation Report, including:

- Site Plan, undated;
- Eagle Ridge Site Map showing fire hydrant locations, undated;
- Site map of septic fields, undated;
- Crawl Space & Attic Inspections Report prepared by Piluso Construction Ltd, dated September 28, 2016;
- Window, solarium and CRF cost details spreadsheet for 2019 through 2025;
- Fire hydrant inspection reports for 2020 through 2024 prepared by North Saanich;
- Monthly cumulative expenses for 2020 through 2025 (up until March);
- Depreciation Report 2021 Update prepared by Read Jones Christoffersen Ltd., dated May 11, 2021;
- Window glazing comments provided in an email chain, dated September 6, 2024;
- Current Bylaws, dated November 26, 2024;
- Roof Condition Survey and Report prepared by Westcoast Roof Inspection Services, dated January 18, 2025;
- Information Gathering for Depreciation Report 2025 – Sites Chair Input documents prepared by the Strata, dated February 20, 2025;
- Various quotes prepared by Five Star Pacing Co. Ltd, dated March 10, 2025;
- Deck Inspection Summary Report prepared by Pro Deck Ltd., dated March 18, 2025;
- Cost summary for site equipment and tractor shed prepared by the Strata, dated May 7, 2025; and
- Capital asset management plan prepared by the Strata, dated May 17, 2025.

A financial questionnaire was completed by the Strata Council and the results were incorporated into the Depreciation Report.

The Strata Corporation also made various drawings available for our review, including:

- Approved building plans dated, April 1987;
- Victoria Power District Distribution U/G Drawings, dated 1989;
- General Building Addition Plans prepared by AJ Finlayson Architect, dated January 1992; and
- Site Services Plan prepared by J.E. Anderson and Associates, dated March 1994.

APPENDIX G – LIMITATIONS

The scope of work for this report and related responsibilities are defined in the Consultant's (*Sense Engineering Ltd.*) proposal and Conditions of Assignment.

The work reflects the Consultant's best judgement given the specific information provided. The Consultant is not obligated to identify mistakes or insufficiencies in the information obtained from the various sources or to verify the accuracy of the information.

Only conditions actually seen during examination of representative samples have been appraised. Comments on the balance of the conditions are assumptions based upon extrapolation. No physical or destructive testing and no design calculations have been performed unless specifically recorded. Conditions existing, but not observed or recorded, were not apparent given the level of study undertaken.

The Consultant was not engaged to investigate or provide advice about pollutants, contaminants or hazardous materials, and is not currently investigating or providing advice on pollutants, contaminants, hazardous materials or communicable diseases/viruses.

The Client and other users of this report expressly deny any right to any claim, including personal injury claims, which may arise out of pollutants, contaminants or hazardous materials, including but not limited to asbestos, mould, mildew or other fungus.

Unless the Consultant otherwise agrees in writing, this report shall not be used to explicitly or implicitly warrant as to the fitness of the property for a particular purpose. This is not a certification of compliance with past or present regulations.

This work does not wholly eliminate uncertainty regarding the potential for existing or future costs, hazards or losses in connection with a property. We can perform further investigations on items of concern, if so directed.

No portion of this report may be used as a separate entity; it is intended to be read in its entirety.

The budget figures presented are our opinion of the probable cost and are provided for approximate budget purposes only. The budgets are presented in today's dollars and do not account for extraordinary changes in material and/or labour costs (e.g., such as caused by supply chain disruptions, changes in law/Code, labour shortages, etc.). Accurate figures can only be obtained by completing a detailed design and tendering it to receive multiple prices from suitable contractors closer to the time of construction.

Time frames given for undertaking work represent our opinion of when to budget for the work. Failure of the item, or the optimum repair/replacement process, may vary from our estimate.

Decisions made, or actions taken as a result of our work shall be the responsibility of the parties directly involved in the decisions or actions. No party other than the Client shall rely on the Consultant's work without the Consultant's express written consent.

Any use which a third party makes of this work, or any reliance on or decisions to be made based on it, is the responsibility of such third parties. Any third party user of this report specifically denies any right to any claims, whether in contract, tort and/or any other cause of action in law, against the Consultant (including sub-consultants, their officers, agents and employees).

The liability of *Sense Engineering* is limited to the Client in contract and tort to the amount and duration identified in the Conditions of Assignment related to this project. The Client expressly agrees that the individuals engaged by the Consultant shall have no personal liability to the Client in respect of a claim, whether in contract, tort and/or any other cause of action in law. The Client expressly agrees that it will bring no proceedings and take no action in any court of law against any of the individuals in their personal capacity.