

PH McNally File #20158-01

2021-10-05

Condominium No. 1711777 (Livingstone Estates) c/o Debby Hawkin (Chairperson / Treasurer) Unit 3, Building 290, 334 Northlander Bend Lethbridge, AB T1J 4S7

Attention: Board of Directors

Re: RESERVE FUND STUDY – 2022

334 NORTHLANDER BEND, LETHBRIDGE, AB

This letter and the attached schedules comprise my completed Reserve Fund Study as requested.

Standard Limitations

- 1. Inspection is visual, and I accept no responsibility for concealed conditions.
- 2. Measurements, counts, and costs are estimates and shall not be relied upon for other applications.
- 3. I accept no responsibility for sales or financing impacted by information contained in this report.
- 4. I limit my absolute liability to the lower of actual financial damages and the maximum per-claim amount provided by my errors & omissions policy.
- 5. I accept no responsibility in the event of errors or omissions in provided background information.
- 6. This report is for high level planning, not a schedule of work or warranty against failure. Actual costs, times, and work are determined by the Corporation as needed and will differ with this report.
- 7. Report is to be read in conjunction with provided schedules.

Qualification

I have performed Reserve Fund Studies as well as other similar work since 2005 and am a Certified Reserve Planner under the Real Estate Institute of Canada, and I am knowledgeable about the operation, maintenance, life expectancy, and costs of repairs & replacement of depreciating property, which makes me qualified as a Reserve Fund Study Provider under the Alberta Condominium Property Act and Regulation.

Engagement

I was engaged by signed contract. My fee was negotiated prior to the start of work and does not depend on the outcome of this Study.

General Concepts

The Condominium Property Act and Regulation require that Condominium Corporations obtain a Reserve Fund Study every five years from a third-party Reserve Fund Study Provider. A Corporation may conduct their own Study if it has 12 or fewer units and passes a Special Resolution to this effect. A Condominium where all units are owned by the same Owner or Group of Owners is exempt from this requirement and from the need to maintain a Reserve Fund.

At minimum, the Study must address all depreciating capital items that are anticipated to require replacement or major repair within the next 30 years and provide funding recommendations designed to meet the cost of anticipated work; including an opinion as to whether I consider the fund, plus anticipated contributions and earned interest, adequate to cover these costs at the time of the Study. The findings of the Study are presented as a Report (this document).

After receiving & reviewing the Report, the Corporation must create a Reserve Fund Plan and distribute it to the Owners. The Plan must indicate the amount to be collected into the Fund and the basis for determining that amount. In addition, the Corporation must annually report to Owners all Reserve Fund contributions, earnings, & expenses; and any projects undertaken using Reserve Funds.

Reserve Funds may only be held in investments as per Schedule 2 of the Alberta Condominium Property Regulation, typically GICs and bank accounts. Fund money may not be mingled with other money and may only be used for major repairs or replacement of depreciating components that are the responsibility of the Corporation, or for professional examination of the property such as Reserve Fund Studies. Interest earned must remain in the Fund. Because of these restrictions, I recommend against adding surplus money to the Fund or over-contributing without careful consideration.

Major repair or replacement of capital components generally occurs at the end of that component's service life. End of life can be defined in many ways, such as:

- 1. Unsafe conditions
- 2. Undesirable appearance
- 3. High operating and / or maintenance costs
- 4. Spare parts unavailable
- 5. Regulatory requirement

During an Emergency, declared by the appropriate level of government, money from the Reserve Fund may be used in specific ways, defined in the Regulation, to cover operating shortfalls.

Schedules

Attached Reserve Fund schedules include:

- 1. Inventory: basic information about items that the Corporation is responsible for including estimated time to replacement, current estimated cost of replacement, and estimated life expectancy after replacement.
- 2. History: available information about prior Fund expenditures, contributions, and earnings.
- 3. Projection: anticipated expenses and earnings over next 30 years plus planned contributions to prevent the Fund falling below \$0.

Notification of Involvement

I have no prior professional involvement with this Condominium.

I was recommended to the Corporation by the Developer, Newrock Developments.

I know of no prior or current involvement by myself, nor PH McNally Associates Ltd., with this Condominium that would disqualify me from acting as a Reserve Fund Provider.

For purposes of compliance with the Condominium Property Regulation, I am explicitly not:

- a) a director, officer or employee of the corporation;
- b) a manager under a management agreement with the corporation;
- c) a partner, employer or employee of a person referred to in clause (a) or (b);
- d) the spouse or common-law partner or child of a director or officer of the corporation, or a child of the spouse or common-law partner of a director or officer of the corporation;
- e) an owner of a unit on the parcel; nor
- f) an occupant of a unit on the parcel.

Joel McNally, BA CRP

Property Description

The property is a flat greenfield development site occupied by a looped street and 37 attached bungalow-style units in 12 total buildings with full basements. The last building, a 4-plex, was under construction at the time of my inspection. This study is based on the completed development, as my recommendations are set to start after that work will be complete.

Construction started in 2018 and will be complete in 2022. The Corporation was registered in 2017. 2019 has been selected as a nominal construction date for planning purposes.

Each unit is serviced individually for electricity and natural gas, with a house electrical meter for site lighting. Shared water and sanitary services branch out to service each building, with one shared shutoff for each building inside one of the units. A shared storm sewer for the development also branches off to service each building, as well as catch basins around the site.

In addition to the looped street, there is a small amount of paved visitor parking, a project identification sign at the main entrance, and a wood fence with steel posts in concrete piles around the site. Soft landscaping is modest and includes irrigated lawns and a mix of newly planted deciduous trees and some shrubs.

The buildings are wood structure with a concrete basement. Roofs are peaked and finished with asphalt shingles. Walls are finished with vinyl siding and cultured stone accents. Units have a mix of open and covered main floor patios and verandas finished with membrane floor material and aluminum guard-rails, some with glass panel. Windows are white PVC with sealed units. There are no interior common spaces, no shared indoor plumbing or wiring, and no shared HVAC.

Units are generally occupied by owners. The level of finish work and materials are typical for a condo developer in an average price point.

Bylaw and Plan Review

At my request, I was provided with the condominium bylaws and condominium plan to review. I also obtained a set of construction drawings from the developer.

A review of the Bylaws has found that they are generally typical for this area in relation to the responsibilities of the Corporation regarding the repair and replacement of common property items, with no unusual exceptions.

A review of the Condo Plan has found that it is typical in relation to the division of common property.

The reviewed documents indicate that the Corporation is responsible for all shared services, all building exteriors, and all site improvements.

Financial Statement Review

At my request, I was provided with the operating budget for 2021, as well as a statement of the anticipated value of the fund as of the effective date of this study.

No additional financial information exists to review.

Previous Study

No previous reserve fund studies exist to review.

Current Fund

As of the effective date of this Study, according to provided statements, the Fund should contain: \$36,215.

I have not used a current value equation to calculate a notional correct current amount of money that should be in the reserve fund. However, given the age of the building, contribution history and historical contribution rates, I believe it is fair to say that the Fund is <u>not</u> adequately funded prior to the adoption of the recommendations in this report. However, given that the corporation is very new, the level of underfunding is very minor and easily rectified.

Interaction

I met with Debby Hawkin, as well as Rhonda and Earl for the condominium board on 2021-09-08, during which we had a general discussion about reserve fund legislation and standard operation. After this, the site was reviewed in the company of Rhonda and Earl on 2020-09-16. I was provided access to all exterior areas of the property, except for rooftops.

Draft schedules were sent to the Board of Directors on 2021-09-10 and I presented the draft to, and interviewed, available members the Board of Directors on 2021-09-28. No major changes in direction were requested. I recommended that annual contributions be increased, and the Board members asked that this be done over the next five years.

Condominium No. 1711777 (Livingstone Estates)

Reserve Fund Study 2022

Component Condition

I have established the general cost and condition of reserve fund components based on my site review and interviews with condominium representatives. Other than as noted, reserve components were generally in a condition commensurate with their age with no outstanding problems. By and large, this development is of an age that periodic substantial repairs should be expected within the next ten years, and there are several major projects (cladding, windows) that are not expected to happen within the 30-year horizon of the study and that are therefore not currently being reserved for.

Exterior

Exteriors cover the exterior envelope of the building including roofs, walls, windows, balconies, etc. These components are generally part of the common property and also work together to protect occupants and contents of the building indiscriminately.

Generally speaking, the exterior envelope of this building is in good condition, with the following notes:

Asphalt Shingles

Shingles are a typical asphalt architectural shingle product.

No issues were noted, but the performance of these depends a great deal on the quality of the attachment, which can be affected by ambient temperature during installation, as well as the level of wind exposure. If shingles are found to blow off routinely, I recommend having an experienced roofer check and glue loose tabs down.

Prefinished Metal

Prefinished metal includes components such as flashings, soffits, gutters, downspouts, etc.

The board members indicated that they believe that there are not enough downspouts to handle heavy rain. I am inclined to agree that this is a deficiency, but I recommend that funding to add additional downspouts should come from a source other than the reserve fund, and I may have mistakenly said otherwise during the site inspection.

Vinyl Siding

Vinyl siding covers the majority of exterior walls.

No issues were noted. Full replacement is not anticipated within the next 30 years, but I have allocated some funding for interim replacement as needed.

Stone Veneer

Cultured stone veneer covers the lower portion of front walls and columns.

No issues were noted.

Parging

Parging covers the exposed top of the basement wall.

A small amount of staining was noted in some locations where sprinklers are hitting basements. Otherwise, no issues were noted.

PH McNally File #20158-01

Condominium No. 1711777 (Livingstone Estates)

Reserve Fund Study 2022

Balcony Surfaces

Wood balcony structures are protected by an exterior-grade vinyl membrane.

I noted that wall finishes were installed low over the edges of these membranes which will make future replacement more difficult than otherwise. Otherwise, no issues were noted.

Aluminum Guardrails

Factory finished aluminum guardrails with some tempered glass panels are installed around the edge of balconies and along stairs higher than two steps.

These rails are fastened down with screws through the vinyl membrane surface. Washers may have been used to keep water out of these penetrations, but these can fail over time, and I recommend that the screws be backed out and reinstalled through a dab of sealant every 8 – 12 years to protect the membrane. Otherwise, no issues were noted.

Exterior Stairs

Exterior stairs are a factory finished wood tread supported by factory finished steel stringers.

No issues were noted.

PVC Windows

Windows are a mix of fixed, casement, and sliding residential-style PVC windows in various sizes.

No issues were noted. Full replacement is not anticipated within the next 30 years, but I have allocated some funding for interim replacements as needed.

Doors

Residential entry doors are insulated, factory-finished steel.

No issues were noted.

Overhead Doors

Overhead doors are insulated, factory-finished steel.

No issues were noted.

Site

This section covers exterior property that is not part of a building and includes landscaping, plantings, paving, walkways, fences, etc.

Generally speaking, the site is in good condition, with some work incomplete.

Asphalt Pavement

Pavement is a typical smooth bitumen asphalt. It is not clear to what standard the structural courses were constructed.

Some signs of surface pooling were noted, which suggests minor settlement or imperfect surface grading. Otherwise, no issues were noted.

PH McNally File #20158-01 Condominium No. 1711777 (Livingstone Estates) Reserve Fund Study 2022

Walks, Drives & Curbs

This includes all site concrete but excludes interior slabs-on-grade in garages.

Signs of minor settlement were noted between the sidewalk and the curb alongside the main entrance road. A failed patch to damaged concrete was noted where a driveway quadrant was ripped out and replaced. I was also told that rebar in the driveways was not dowelled into the building foundations and that the bar was not chaired up in at least one case, which can allow driveways to shift in the event of inadequate soil compaction around foundations. Because of these issues, I have reduced the initial time-to-project to account for the possibility of near-term repair work.

Wood Fence

The fence around the property is a stained wood structure supported by steel posts in concrete piles. It is not clear whether the wood is treated or not, and I have assumed it is not.

There is some damage where weed whippers have 'sawed' at the bottom of posts, and in some cases the wood surface has started to check and split, which compromises the finish. Otherwise, no issues were noted, and I have allocated funding to re-stain the fence periodically.

My own opinion is that exterior wood is a high-maintenance item and that the corporation would be better off replacing this fence at the end of its life expectancy with a higher-quality fence that does not require periodic maintenance. In this case, the piles and posts may make a vinyl replacement into a reasonably affordable option, though the funding to make up the difference must come from elsewhere.

Landscaping

Landscaping includes an irrigated lawn and a variety of recently planted deciduous trees and some shrubs. In addition, the landscaping is incomplete, with the central grassed area with path not yet finished.

I observed that watering along the north property line appears to be much too frequent, as the ground under the sob was effectively mud. In addition, I noted a few dead or distressed trees, and some signs of water staining where sprinkler heads are hitting the fence or basements.

Because of potential sprinkler issues, I recommend that the operation of the system be reviewed and adjusted prior to project completion.

Light Poles

The pole-mounted lights in the parking area are new LED fixtures on factory finished aluminum poles.

No issues were noted.

Utilities

This section covers buried pipes, wires, conduits, meters, etc that are used for the provision of needs such as water, electricity and natural gas, or the removal of sewage or stormwater. These are often completely hidden, have extremely long life expectancies, and can be dangerous & must be serviced by professionals.

Utilities in the parcel that are owned by the Condominium include buried water and sanitary sewer lines between each building and the property line with the City; and storm drains, catch-basins, & manholes that are located throughout the site. None of these are available for inspection, and the condition & life expectancy of these items has been assumed for planning purposes.

Condominium No. 1711777 (Livingstone Estates)

Reserve Fund Study 2022

Buried natural gas and electrical lines, as well as meters and electrical transformers, as well as telecommunication lines and demarcation points are the responsibility of the utility providers.

Upcoming Projects

To summarize what I have described above, in the short-term I anticipate the following projects:

- 1. Some replacement or slab jacking of concrete after warranty period ends.
- 2. Staining the fence.

I believe that these anticipated repairs are reasonable and necessary and that paying for them out of the reserve fund is appropriate.

Exclusions

Annually occurring expenses and maintenance are deemed to be operating expenses by the legislation. In this case, examples include:

- 1. Routine changing of indoor and outdoor lamps.
- 2. Ongoing replacement of caulking & sealants as required.
- 3. Minor patching and painting.
- 4. Trimming of plants and lawn, weeding, minor landscape repairs, etc.

I typically expect expenses of less than \$1,000 - \$2,000 to be handled as maintenance expenses to simplify operation of the Fund.

This includes:

- 1. Traffic and parking line repainting
- 2. Exterior light fixtures
- 3. Replacement of smaller plantings, such as shrubs

I plan for non-common expenses and expenses that are specifically excluded by the Bylaws to be handled outside of the reserve fund. This includes:

- 1. Plumbing, wiring and HVAC that serves only a single unit
- 2. Suite interiors, including interior casing of exterior windows & doors and overhead door operators.

I exclude the following components because timing and scope of work is unpredictable:

1. Building substructure and superstructure

Recommendations

I recommend that the Corporation make planned annual contributions to the reserve fund as per Reserve Fund Projection based on the need to pay for all anticipated work over the projected period without the Corporation borrowing money or undertaking a Special Assessment:

- 1. 19.500 in FY 2022
- 2. 22,000 in FY 2023

- 3. 24,500 in FY 2024
- 4. 27,000 in FY 2025
- 5. 29,500 in FY 2026
- 6. thereafter adjusted to reflect future reserve fund studies and inflation as required

In addition, I recommend the following improvements to the general operation of the fund:

- 1. That the Corporation hold reserve funds in fully government guaranteed securities at the highest possible rate of return, with staggered maturity dates to provide ready access to a portion of money in any given year,
- 2. That the Corporation report on reserve fund income, expenses, and balance using a simple, annual format, similar to the overall financial statements.

Conclusion

If the corporation proceeds on the basis of my recommendations, the fund is be adequate to cover estimated expenses through the next 30 years.

Closure

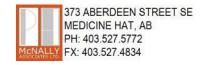
I am willing to update the reserve fund schedules and provide an updated PDF once each year to reflect actual costs and contributions. This service is a courtesy and free of charge for the next four years. I am also free to answer questions about this report during this period.

In addition, PH McNally provides engineering and project management services, and we are available to assist with larger projects as required such as by providing detailed engineer design, applying for permits, conducting bid processes, and supervising contractors.

It was a pleasure to be of service, and I look forward to doing so again in the future. If there are any questions, please contact me.

Yours truly,

Joel McNally, BA, CRP



RESERVE FUND INVENTORY1

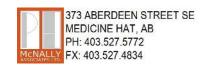
Condo No 1711777 (Livingstone Estates) - 2021

EVERIOR	Work ²	,		Unit Cost ³				0 1141	Time to	Life
EXTERIOR		00 705	0.5		0.40.040	History ⁶	2242	Condition	Project	Expectancy ¹
Asphalt Shingles	100%	69,725	SF	3.49	243,348	0	2019	Good	17	20
Prefinished Metal	10%	21,135	SF	8.24	17,405	0	2019	Good	17	20
Vinyl Siding	100%	39,090	SF	4.90	191,682	0	2019	Good	37	40
Stone Veneer	100%	2,960	SF	46.26	136,941	0	2019	Good	47	50
Parging	100%	8,410	SF	16.99	142,866	0	2019	Good	47	50
Balcony Surfaces	100%	5,204	SF	13.61	70,831	0	2019	Good	22	25
Aluminum Guardrails	100%	1,316	LF	59.45	78,236	0	2019	Good	47	50
Exterior Stairs	100%	74	ea	200	14,800	0	2019	Good	27	30
PVC Windows	100%	263	ea	976	256,682	0	2019	Good	32	35
Doors	100%	74	ea	1,708	126,392	0	2019	Good	47	50
Overhead Doors	100%	37	ea	3,023	111,853	0	2019	Good	32	35
SITE										
Asphalt Pavement	100%	30,650	SF	2.47	75,703	0	2019	Good	24	25
Walks, Drives & Curbs	10%	20,850	SF	10.00	20,850	0	2019	Good	8	10
Wood Fence	100%	1,550	LF	25.00	38,750	0	2019	Good	12	14
Wood Fence Stain	100%	18,600	SF	1.00	18,600	0	2019	Good	6	14
Trees	20%	51	ea	794	8,100	0	2019	Good	27	15
Lawn	100%	58,800	SF	0.42	24,696	0	2019	Good	37	40
Irrigation	100%	58,800	SF	1.25	73,500	0	2019	Good	37	40
Pole Mounted Lights	100%	5	ea	1,650	8,250	0	2019	Good	16	20
Light Poles	100%	5	ea	3,000	15,000	0	2019	Good	47	50
Outdoor Signage	100%	1	ea	2,000	2,000	0	2019	Good	27	30
UTILITIES										
Fire Hydrant	100%	2	ea	1,643	3,286	0	2019	Good	22	25
Water Service	100%	1,672	LF	99	165,528	0	2019	Good	77	80
Sanitary Service	100%	1,411	LF	99	139,689	0	2019	Good	57	60
Catchbasins & Manholes	50%	15	ea	1,336	10,023	0	2019	Good	47	50
Storm Sewer	100%	1,162	LF	182	211,484	0	2019	Good	97	100
OTHER										
Reserve Fund Study	100%	1	ea	2,000	2,000	0	2022	N/A	5	5

GENERAL INFORMATION

Condominium No.	1711777	Inflation (Const) ¹⁰	2.84%
Number Units	37	Inflation (Core) ¹¹	2.06%
		Interest ¹²	1.30%
Construction Year ⁹	2019		
Study Year	2022	File Number	20158-01
Effective Date of Study	Apr-1		

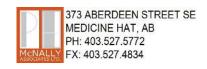
pg 1



RESERVE FUND HISTORY¹ Condo No 1711777 (Livingstone Estates) - 2021

pg 2

Opening Balance	2017	2018	2019	2020	2021 ⁷ 20,002	Total
Annual Contribution	_	_	_	_	16,213	16,213
Other Transfer ³	_	_	<u>-</u>	<u>-</u>	10,213	10,210
Adjustment ⁴		-	-	_	_	_
Interest Income ⁵	_	_	<u>-</u>	<u>-</u>	_	_
Cash Resources	-	-	-	-	36,215	36,215
Interest Rate ⁶	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EXTERIOR						
Asphalt Shingles	-	-	-	-	-	-
Prefinished Metal	-	-	-	-	_	-
Vinyl Siding	-	-	-	-	-	-
Stone Veneer	-	-	-	-	-	-
Parging	-	-	-	-	-	-
Balcony Surfaces	-	-	-	-	-	-
Aluminum Guardrails	-	-	-	-	-	-
Exterior Stairs	-	-	-	-	-	-
PVC Windows	-	-	-	-	-	-
Doors	-	-	-	-	-	-
Overhead Doors	-	-	-	-	-	-
SITE						
Asphalt Pavement	-	-	-	-	-	-
Walks, Drives & Curbs	-	-	-	-	-	-
Wood Fence	-	-	-	-	-	-
Wood Fence Stain	-	-	-	-	-	-
Trees	-	-	-	-	-	-
Lawn	-	-	-	-	-	-
Irrigation	-	-	-	-	-	-
Pole Mounted Lights	-	-	-	-	-	-
Light Poles	-	-	-	-	-	-
Outdoor Signage	-	-	-	-	-	-
UTILITIES						
Fire Hydrant	-	-	-	-	-	-
Water Service	-	-	-	-	-	-
Sanitary Service	-	-	-	-	-	-
Catchbasins & Manholes	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-
OTHER						
Reserve Fund Study	-	-	-	-	-	-
Unkown / Other	<u>-</u>	-	-	-	-	-
Total		-	-	-	-	-
Closing Balance	-	-	-	-	36,215	36,215

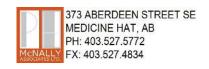


RESERVE FUND PROJECTION - SHORT RANGE

Condo No 1711777 (Livingstone Estates) - 2021

(= g	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening Balance	36,215	56,186	78,916	104,442	132,800	164,026	193,966	205,212	229,241	238,142
Annual Contribution ¹	19,500	22,000	24,500	27,000	29,500	30,108	30,728	31,361	32,007	32,666
Special Assessment										
Interest Income ²	471	730	1,026	1,358	1,726	2,132	2,522	2,668	2,980	3,096
Cash Resources	56,186	78,916	104,442	132,800	164,026	196,266	227,215	239,241	264,228	273,904
EXTERIOR										
Asphalt Shingles										
Prefinished Metal										
Vinyl Siding										
Stone Veneer										
Parging										
Balcony Surfaces										
Aluminum Guardrails										
Exterior Stairs										
PVC Windows								10,000		
Doors										
Overhead Doors										
SITE										
Asphalt Pavement										
Walks, Drives & Curbs									26,086	
Wood Fence										
Wood Fence Stain							22,003			
Trees										
Lawn										
Irrigation										
Pole Mounted Lights										
Light Poles										
Outdoor Signage										
UTILITIES										
Fire Hydrant										
Water Service										
Sanitary Service										
Catchbasins & Manholes										
Storm Sewer										
OTHER										
Reserve Fund Study						2,301				
Total	0	0	0	0	0	2,301	22,003	10,000	26,086	0
Closing Balance	56,186	78,916	104,442	132,800	164,026	193,966	205,212	229,241	238,142	273,904

pg. 3

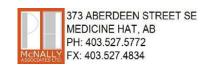


RESERVE FUND PROJECTION - MEDIUM RANGE

Condo No 1711777 (Livingstone Estates) - 2021

(3 -	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Opening Balance	273,904	308,158	346,190	321,190	360,808	401,671	361,766	312,233	237,730	166,550
Annual Contribution ¹	33,339	34,026	34,727	35,442	36,172	36,918	37,678	38,454	39,246	40,055
Special Assessment	00,000	0 1,020	0 .,	00,112	00,	00,010	0.,0.0	55, 15 .	00,210	.0,000
Interest Income ²	3,561	4,006	4,500	4,175	4,691	5,222	4,703	4,059	3,090	2,165
Cash Resources	310,804	346,190	385,417	360,808	401,671	443,810	404,147	354,747	280,067	208,770
EXTERIOR										
Asphalt Shingles						79,000	79,000	79,000	79,000	79,000
Prefinished Metal								28,017		
Vinyl Siding			10,000							
Stone Veneer										
Parging										
Balcony Surfaces										
Aluminum Guardrails										
Exterior Stairs										
PVC Windows								10,000		
Doors								·		
Overhead Doors										
SITE										
Asphalt Pavement										
Walks, Drives & Curbs									34,516	
Wood Fence			54,227							
Wood Fence Stain										
Trees										
Lawn										
Irrigation										
Pole Mounted Lights							12,914			
Light Poles										
Outdoor Signage										
UTILITIES										
Fire Hydrant										
Water Service										
Sanitary Service										
Catchbasins & Manholes										
Storm Sewer										
OTHER										
Reserve Fund Study	2,646					3,044				
Total	2,646	0	64,227	0	0	82,044	91,914	117,017	113,516	79,000
Closing Balance	308,158	346,190	321,190	360,808	401,671	361,766	312,233	237,730	166,550	129,770

pg. 4

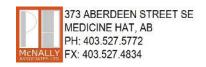


RESERVE FUND PROJECTION - LONG RANGE

Condo No 1711777 (Livingstone Estates) - 2021

Condo No 1711777 (Livingsto	ne Estates) -									
	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Opening Balance	129,770	136,271	146,764	152,169	164,606	29,846	71,474	38,346	12,960	15,581
Annual Contribution ¹	40,880	41,722	42,582	43,459	44,354	45,268	46,200	47,152	48,123	49,115
Special Assessment										
Interest Income ²	1,687	1,772	1,908	1,978	2,140	388	929	499	168	203
Cash Resources	172,337	179,764	191,254	197,606	211,100	75,502	118,604	85,997	61,252	64,898
EXTERIOR										
Asphalt Shingles										
Prefinished Metal										
Vinyl Siding								10,000		
Stone Veneer										
Parging										
Balcony Surfaces		33,000	33,000	33,000	33,000					
Aluminum Guardrails										
Exterior Stairs								31,524		
PVC Windows								10,000		
Doors										
Overhead Doors										
SITE										
Asphalt Pavement					148,254					
Walks, Drives & Curbs									45,671	
Wood Fence							80,257			
Wood Fence Stain	32,565									
Trees								17,253		
Lawn										
Irrigation										
Pole Mounted Lights										
Light Poles										
Outdoor Signage								4,260		
UTILITIES										
Fire Hydrant			6,085							
Water Service										
Sanitary Service										
Catchbasins & Manholes										
Storm Sewer										
OTHER										
Reserve Fund Study	3,502					4,028				
Total	36,067	33,000	39,085	33,000	181,254	4,028	80,257	73,037	45,671	0
Closing Balance	136,271	146,764	152,169	164,606	29,846	71,474	38,346	12,960	15,581	64,898

pg. 5



RESERVE FUND STUDY NOTES Condo No 1711777 (Livingstone Estates) - 2021

pg. 6

RESERVE FUND INVENTORY

- Presented data is based on information provided by Client as well as personal observation. Provided data is accepted without attempts to verify it. All data on this schedule should be regarded as estimates and approximations for highlevel planning purposes only.
- Percentage of total used as project allowance where complete replacement is unlikely or where cost-sharing with neighbour is in effect
- Quantities are estimated and are for use in this report only. Costs are based on RSMeans costing guides with localization and difficulty factors plus modifications to reflect Consultant's experience of local conditions
- First historical column is total historical price paid from Reserve Fund. Second is estimated year of installation or replacement regardless of funding source.
- A value of "0" in this column indicates that the item is being deleted, or will otherwise not factor into the Projection after the last planned expense.
- 9 Construction year in phased projects is overall average based on provided completion schedule.
- Construction inflation trend is the average annual Non-Residential construction cost increase provided by Stats Canada in Calgary over 30-year period in Table 18-10-0135-01
- Core inflation trend is the average annual All Items cost increase provided by Stats Canada over 30-year period in Table 18-10-0005-01
- Estimated rate of return on reserve fund investments based on historical fund performance, modified to reflect report recommendations
 - Structural components as well as plumbing and wiring are the responsibility of the corporation. Major structural repairs or plumbing / wiring replacement are unexpected and should be paid by special assessment.
 - Exterior envelope items typically include allowance for minor related structural repairs.

RESERVE FUND HISTORY

- Provided data is accepted as provided
- Note that transfer of reserve funds to the operating fund for non-reserve expenses is illegal mingling of funds
- 4 Adjustments are made as required by discrepencies in provided records
- ⁵ Interest income reported by Corporation or best estimate if information is unclear
- Reserve funds may only be invested in government guaranteed securities such as GICs. Balance in bank account should be no more than what is covered by insurance (typically \$100,000)
- Values for most recent year have been extrapolated from available information. Future fund planners should confirm final numbers for this year from available records at the time the new study is prepared

NOTES TO RESERVE FUND PROJECTION

- Annual contribution for year of study is as per provided budget
- Reserve funds may only be invested as per Schedule 2 of the Condominium Property Regulation Life-cycle calculation results may be manually adjusted. This can be done to include minor expected work or to spread costs to reflect likely actual timetable of work. Manually adjusted or entered values appear in **bold** During update process, manually entered and automatically calculated results will change from original study projections. Changed values appear in *italics*

NOTES TO ALL SCHEDULES

Schedules are to be read in conjuntion with the written report provided, and are subject to all limitations described in that document.

© 2021 PH McNally Associates Ltd.

PH McNally File #20158-01