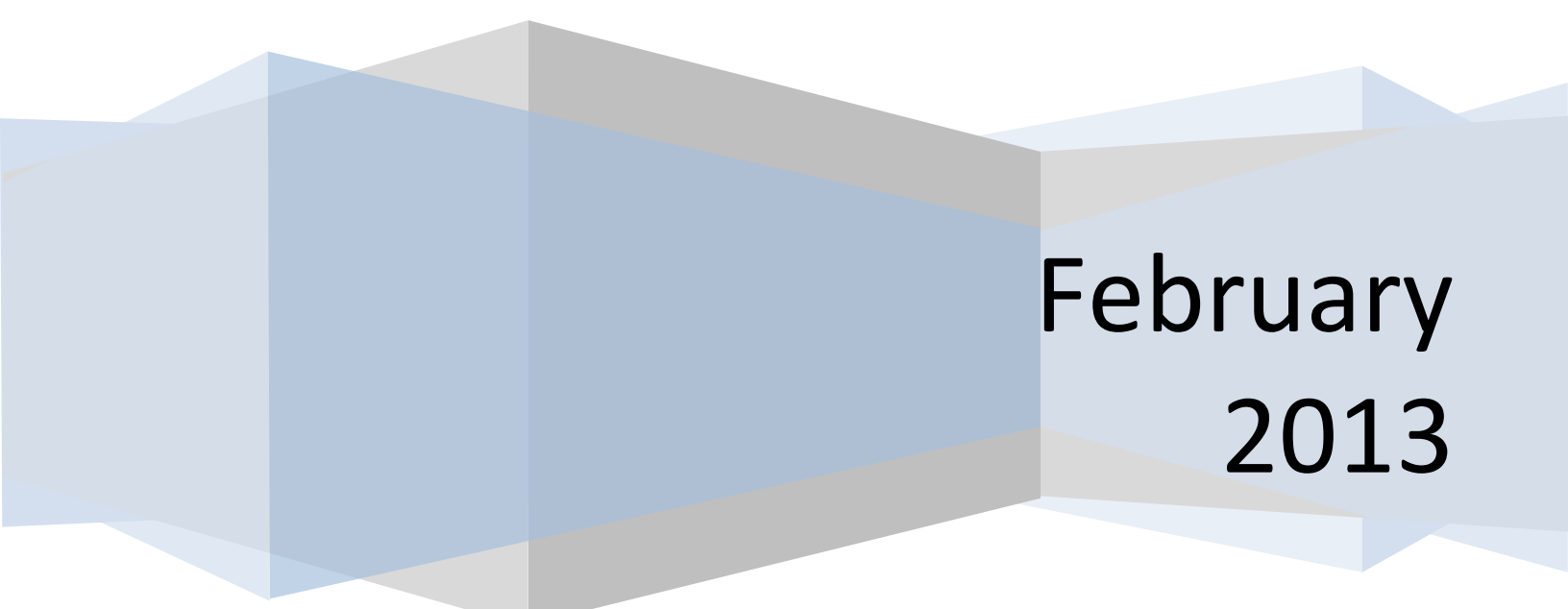




# Depreciation Report Proposal

Absolute Building Science Strata Engineering Inc.



February  
2013

### **About Strata Engineering**

Strata Engineering is a consulting company specializing in project and construction management, building enclosure consulting services and depreciation reports. Our team members with diverse backgrounds, offer clients unique solutions tailored to their needs.

1. Depreciation reports
  - At Strata Engineering, our quality depreciation reports are compiled by a diverse team with of highly qualified individuals. After a visual inspection according to the rigorous standards provided by the Strata Property Act of British Columbia, and a financial analysis based on strata documents, Strata Engineering provides different management strategies to optimize the funding of your contingency reserve fund.
2. Project and construction management
  - Strata Engineering is able to offer a unique project or construction management service that sets us apart. We act on our client's behalf managing and coordinating trade contractors, delivering and implementing solutions within given budgets and time frames.
3. Building enclosure repair consulting
  - Our building enclosure repair team aims to provide comprehensive consulting on all aspects of building enclosure (including, but not limited to roofs, balconies, and exterior siding). Following the assessment by an experienced engineer, Strata Engineering will collaborate with clients to design and implement a specifically tailored program.

### **Our values**

We are a company defined by the quality of our services and the integrity of our employees. We treat every single building as that of our own, endeavouring to provide exceptional client service.

### **Our commitment**

We are committed to making our customers our number one priority and ensuring satisfaction. If you are dissatisfied with our service, please do not hesitate to contact us. We will be glad to provide any assistance you may require.

## Depreciation Report

A depreciation report, more commonly known as a reserve fund study, is a comprehensive document detailing the current condition of common properties, projected replacement costs and financial models for contingency reserve fund management.

The depreciation report is prepared after a physical inspection of the strata corporation's common properties and a financial analysis based on strata documents. Based on the conditions of common properties determined during the physical inspection, projected replacement costs are calculated, forming the basis of effective reserve fund planning.

In an effort to minimize special levies to condominium owners, depreciation reports have become a legislated planning requirement for strata corporations in British Columbia since Dec 13, 2011. Strata Engineering offers reports tailored to your needs at competitive prices.

## Our competitive edge

- 1.) Our depreciation reports are compiled by a highly qualified team with a wide range of expertise ensuring quality which equals or exceeds industry standards.
- 2.) Our depreciation reports are prepared with both strata corporations and buyers in mind.
  - Our reports present the financial outlook of a strata corporation to buyers in the most professional way.
  - Our reports provide strata corporations with schedules for timely repair and replacement work and for the funding of your contingency reserve fund, minimizing or eliminating future special levies.
  - The logical structure our reports coupled with numerous illustrations allows for an intuitive understanding of all aspects of the depreciation report.
  - Our reports are comprehensive with clear definitions of terms and concepts, ensuring a reader-friendly experience for first time buyers.
  - Our reports are customizable with options like a preventive maintenance schedule for better strata maintenance and upkeep.
- 3.) Our depreciation reports are cost efficient.
  - Quotations are provided based on building size, number of units, number of components and other information requested in the "price quote request" form.
  - The processes of inspection, financial analyses and reviews are planned and organized in the most efficient way, resulting in lowered costs without compromising quality.

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Email: [info@strataengineering.ca](mailto:info@strataengineering.ca)

DATE: FEBRUARY 25, 2013  
QUOTE #: 20130225-07-AS  
QUOTE IS VALID FOR 90 DAYS

TO Ryan Schmidt  
2140 West 12th Avenue, Vancouver BC V6K 2N2  
Tel: (604) 883-2456 Fax: (604) 883-2122  
[pbmanager@crmr.com](mailto:pbmanager@crmr.com)

ACCOUNT MANAGER	CONTACT	STRATA INFORMATION
Al (Almog) Sosin <a href="mailto:al@strataengineering.ca">al@strataengineering.ca</a> (604) 365-8433	Ryan Schmidt Tel: (604) 883-2456 <a href="mailto:pbmanager@crmr.com">pbmanager@crmr.com</a>	BCP24781 Parcel H District Lot 1023 Group 1

SERVICE	DESCRIPTION	QUOTED AMOUNT
Depreciation report	- Identifying the elements of the Strata building that is the Strata Corporation's responsibility to maintain	✓
	- Review the maintenance and financial history of the Strata Corporation	✓
	- Review the current condition of the Strata following the detailed visual inspection	✓
	- Provide a 30-year inventory analysis of the common properties	✓
	- Provide a list of all necessary and predictable maintenance costs for a 30-year period	✓
	- Provides at least 3 funding possibilities (cash flow models) optimizing for contingency reserve fund balances	✓
	- Provides recommendations for preventative maintenance on major common properties & cash flow model accounting for preventative maintenance performed	✓
	<b>SUB-TOTAL:</b>	\$5,800.-
	<b>TOTAL:</b>	<b>\$5,800.-</b>

This is a quotation on the goods named is subject to the Standard Terms and Conditions attached hereto. The above prices do not include applicable tax. The Client is requested to return one countersigned copy of this document to Strata Engineering by fax, mail or e-mail to [info@strataengineering.ca](mailto:info@strataengineering.ca).

We accept Strata Engineering to perform the services on the terms and conditions noted in this proposal by signing and returning a copy of this proposal to Strata Engineering. Accepted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Signature

**Absolute Building Science Strata Engineering Inc. ("Strata Engineering")**

**Standard Terms and Conditions**

**Price Quote Request Form.** We rely heavily on the accuracy of the information provided by you to us through our price quote request form. Any material inaccuracy or misrepresentation provided to us on this form could result in a significant increase in the time it takes for us to prepare your depreciation report. Should this be the case, we reserve the right to recover the costs for this additional work. As a courtesy to you we will bring this to your attention prior to incurring extra costs at which time we can work together with you to work out a mutually satisfactory amendment to our quoted price.

**Right of Access.** We run a very tight ship and to keep our costs down for you we need to be as efficient as possible in performing our services. We ask that you assist us by providing or making available all available and necessary information that we will reasonably require to provide our services to you including without limitation information pertaining to your strata corporation and your common properties (i.e. maintenance logs, operating manuals, financial statements, building plans and drawings, disclosure of pending litigation or final judgments, meeting minutes, inspection and engineering reports, etc.) so that we can maintain our efficiencies. We also will require timely access and unrestricted access to your common properties and facilities (i.e. mechanical room, roof, parkade, balcony, and other common facilities). We understand that we need to act reasonably and professionally in accessing your common properties and facilities and this access is limited to the performance of our services set out herein. In cases where your actions or inactions are unreasonable in respect of delays, cancelled appointments, and the inability to access your common properties and facilities and records when scheduled with you, we reserve the right to recover the costs for this additional work or time incurred. As a courtesy to you we will bring this to your attention prior to charging you, at which time we can work together with you to work out a mutually satisfactory amendment to our quoted price.

**Safety.** We hold our personnel in the highest regard and want to ensure they can return to their families safely at the end of each workday. To ensure the safety of our personnel, you will warn us in advance of any hazards that our personnel should be aware of prior to entering your site.

**Termination.** While we strive to see our projects through to completion, we are sometimes frustrated by events we cannot control (primarily but not exclusively for reasons set out in the preceding three sections of these Standard Terms and Conditions). In such events, Strata Engineering may, without prejudice to any other right or remedy it might have, terminate this agreement if you are in breach of any of your obligations of this agreement. If Strata Engineering terminates this agreement under for reasons such as, but not limited to, inaccurate disclosures set out on our price quote request form or unreasonable delays or inefficiencies with respect to Right of Access, or not having a safe site for our personnel, we shall be entitled to be paid for work performed including reasonable profit and for loss or damage sustained as a result of the termination of this agreement.

**Condition of the Assets.** The method of determining the physical condition of the assets is based on a visual review of a representative sampling of your assets in readily accessible locations, discussions with facility representatives, and review of readily available reference documents. No destructive testing or exploratory openings are carried out on any of the assets and the equipment is not disassembled, operated or subject to re-commissioning tests. The physical review is not a full "condition assessment" since operating, testing or exploratory openings are excluded from the scope of services.

**Payment.** Our price quote outlined herein does not include HST/GST, you are responsible to pay these taxes. Our accounts are payable 30 days after the delivery of our final depreciation report to you. Any late payments shall be subject to interest at a rate of 14% per annum.

**Unavoidable Delay.** We cannot control everything and neither can you. For these reasons, neither party will be responsible or liable for any delays in or suspension of performance of its obligations under this agreement caused by: (a) acts of God; (b) restrictions, regulations or orders of any governmental authority or agency or subdivision thereof or delays caused by such authorities or agencies; (c) strikes or labour disputes; (d) acts of war (whether declared or undeclared), terrorism, sabotage or the like; or (e) any other causes beyond the reasonable control, and not the result of the fault or neglect, of that party.

**Non-Disclosure of Terms.** Our business is our livelihood and our value proposition is how our efficiencies result in a lower price for you. We therefore require that you refrain from disclosing the terms of this agreement to any third party without the prior written consent of Strata Engineering, unless such disclosure is required as a result of an order of a court of competent jurisdiction or a government agency or regulatory body having jurisdiction over Strata Engineering and you. That said, we have no problem with you sharing this information with your professional advisors in the course of making your decision whether or not we are the right company for the job.

**Limitations of liability.** We will work hard and make our best efforts for you and don't anticipate any problems with our services. With that said, however, you agree that Strata Engineering shall not be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by you to Strata Engineering under this agreement. In the event of a claim by any third party against Strata Engineering that arises out of or relates to the services performed hereunder, you will indemnify Strata Engineering from all such claims, liabilities, damages, costs and expenses, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of Strata Engineering. In no event shall Strata Engineering be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). None of Strata Engineering's employees, agents, shareholders, directors, and representatives shall be personally liable to you. For purposes of this section, the term Strata Engineering shall include any of its employees, agents, shareholders, directors, officers, representatives and affiliated entities.

**Dispute Resolution.** Should there be a disagreement or dispute between the parties hereto with respect to this agreement or in the interpretation thereof, the same will be referred to a single arbitrator pursuant to the Commercial Arbitration Act (British Columbia), and the determination of such arbitrator will be final and binding upon the parties hereto. This provision will be deemed to be a submission to arbitration in accordance with the Commercial Arbitration Act.

**Governing Law.** The laws of the Province of British Columbia shall govern this agreement.