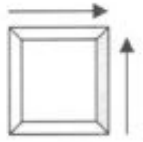


RICHARDS CONSULTING AND ASSOCIATES LTD.

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Specializing in the design and structural engineering of commercial, industrial, agricultural and residential wood, precast and steel frame buildings.

Phone: 403-886-2919 Fax: 403-886-2733

June 29th, 2010

Condominium Corporation No.0122324
5515 – 44th Avenue
Wetaskiwin, AB
T9A 0C8

Attn: June Boyda
Ph: 780-312-0928

RE: Sunset Harbour reserve fund analysis

Location: Sunset Harbour on Pigeon Lake, AB

The existing facility of Sunset Harbour was inspected in the month of January 2010. All aspects of the facility were reviewed at the time of the inspection, the existing drawings were then accessed and used to determine replacement cost values for each portion of it. Please see the below comments in regards to notes derived during the course of the inspection and the attached replacement cost analysis.

Landscaping

The landscape details of the entire park were inspected and found to be in a well maintained condition. The landscape budget includes an allowance for tree and shrub replacement as necessary, and allotment for the boat launch and the shale walking trails.

Underground utilities

Three utilities were considered in the proposed replacement cost analysis, the underground electrical works for the residences, all pumping utilities and the street lights. The 50mm pvc sanitary lines and the 75mm water service. All utilities were evaluated on their estimated age only, as an inspection of them was not possible.

Asphalt

The site asphalt was evaluated on a visual basis only considering it's age, use and initial construction specification. Based on this information the asphalt's estimated remaining life was determined and subsequently it's replacement cost.

Culverts

All culverts were inspected and found to be in acceptable condition. No excessive wear and tear was detected.

Street Lights

The street lights were evaluated on an individual basis and found to be in a generally satisfactory condition with the typical need for yearly maintenance. There were no street lights found to be in need of replacement.

Sewage Grinder pump

The sewage grinder pump could only be evaluated based on the initial plan specification and it's current estimated age.

Water Wells

The water wells could only be evaluated on their current performance, there estimated age and frequency of use.

Water conditioning equipment

The water conditioning equipment was evaluated based on it's current age and frequency of use.

Well pump #1

Well pump #1 was evaluated based on it's plan indicated specification, frequency of use, lift height and water quality.

Well pump #2

Well pump #2 was evaluated based on its plan indicated specification, frequency of use, lift height and water quality.

Generator

The generator was evaluated based on its specification, size and as well its estimated service days per year.

Electrical Switch Gear

The electrical switch gear was evaluated based its indicated load rating, the amount of load which it normally endures and its age.

Pump building membrane

The pump building roof membrane was evaluated based on its current condition and its estimated service life.

Pump building wall cladding.

The wall cladding was evaluated based on its current condition and its estimated service life.

Pump building door

The man door assembly to this structure was evaluated and found to be in good condition. Its estimated remaining service life was developed based on its expected service life and its current condition.

Pump building heater

The heater in this facility was evaluated based on its size, the building structure and envelope it is being utilized within and its frequency of use.

Sewage holding tank

The sewage tank could not be inspected and thus it's condition could only be estimated based on the initial plan specifications and it's current age.

Pond Aeration Pump

The pond aeration pump was evaluated based on it's size, specification and amount of use per season.

Conclusion

Overall, the inspected facility was found to be in satisfactory condition with no detectable areas within it which will require replacement prior to the indicated estimated end of service life. If regular maintenance is carried out on all aspects of the facility the estimated service life and remaining life of all components within it will likely be extended beyond the indicated values.

Best regards,



Michael Richards

P.Eng



Condominium Corporation No
SUNSET HARBOUR
 June 29, 2010
 Red Deer, Alberta

REPLACEMENT COST ANALYSIS

Project # 29279

Item	Total Replacer Cost	Expected Life	Current Age	Remainin Life	Current % Age Over Expected	Replacement Reserve	Sinking Fund @ 4%
Landscaping	\$13,000.00	30	8	22	26.7	\$3,466.67	\$278.36
Underground Utilities	\$100,000.00	50	8	42	16.0	\$16,000.00	\$2,452.70
Asphalt	\$225,000.00	20	6	14	30.0	\$67,500.00	\$4,598.81
Culverts	\$20,000.00	50	8	42	16.0	\$3,200.00	\$490.54
Street Lights	\$40,000.00	40	8	32	20.0	\$8,000.00	\$934.36
Sewage grinder pump	\$10,000.00	20	8	12	40.0	\$4,000.00	\$175.19
Water wells	\$30,000.00	30	10	20	33.3	\$10,000.00	\$583.98
Water conditioning	\$20,000.00	10	2	8	20.0	\$4,000.00	\$467.18
Well Pump #1	\$5,000.00	20	8	12	40.0	\$2,000.00	\$87.60
Well Pump #2	\$5,000.00	20	2	18	10.0	\$500.00	\$131.39
Generator	\$35,000.00	20	2	18	10.0	\$3,500.00	\$919.76
Electrical switch gear	\$10,000.00	30	8	22	26.7	\$2,666.67	\$214.12
Pump building roof membrane	\$2,000.00	30	8	22	26.7	\$533.33	\$42.82
Pump building wall cladding	\$2,000.00	30	8	22	26.7	\$533.33	\$42.82
Pump building door	\$1,000.00	30	8	22	26.7	\$266.67	\$21.41
Pump building heater	\$2,000.00	30	8	22	26.7	\$533.33	\$42.82
Sewage Holding Tank	\$20,000.00	30	8	22	26.7	\$5,333.33	\$428.25
Pond Aeration Pump	\$2,000.00	10	8	2	80.0	\$1,600.00	\$11.68
Total Cost	\$542,000.00					\$133,633.33	\$11,923.82

I/We herby declare that the above statements are true to the best of our knowledge and I/We have not suppressed or misstated any material facts in arriving at our assessment.

