

Reserve Fund Study

Prepared for:

**The Board of Directors for
Wentworth at the Willows Condominium Corporation
501 Cartwright Street, Saskatoon, Saskatchewan S7T 1E1**

File No. 67827-Revised



**Prepared by:
Suncorp Valuations**

October 21, 2019

Wentworth at the Willows Condominium Corporation
501 Cartwright Street
Saskatoon SK S7T 1E1

Dear Sir/Madam:

**Reserve Fund Study
Wentworth at the Willows Condominium Corporation
501 Cartwright Street, Saskatoon, Saskatchewan S7T 1E1**

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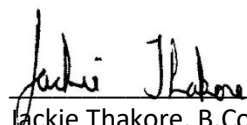
Pursuant to your request for a Reserve Fund Study of the within described project, I have prepared the attached report for the consideration of the Board of Directors of Wentworth at the Willows Condominium Corporation. This Reserve Fund Study describes the reserve fund concepts and major reserve fund items. It provides current and future replacement reserve estimates and recommends reserve fund actions. This is a revision to the original report dated May 14, 2019. This revision has been made to enhance the wording associated with the annual contribution recommendation.

A Reserve Fund Study is a financial planning tool and should be viewed as such. The Reserve Fund Study cannot be relied on as a technical audit of the components at any time. Our review is based on a cursory (non-invasive) visual inspection of the components and the assumption that these have been installed and maintained with good workmanship, materials, and appropriate design. Our reporting is not, and is not intended to be construed as, a replacement for a structural or technical audit. The Reserve Fund Study should be reviewed in detail annually and updated, at a minimum, every five years. Unexpected events can have a significant impact on the appropriateness of this type of plan; should such events occur, more regular updates may be appropriate.

In my opinion the current reserve fund position of Wentworth at the Willows Condominium Corporation is deficient. This deficiency should be eliminated over the next 25 years by making reserve fund contributions of \$33,748 per year, as outlined in the report that follows, and ensuring that an average rate of return of 2.50% is achieved on the reserve funds held on account. It is important to note that the current reserve fund position is at 80% adequacy and funds are in place to meet the necessary reserve requirements over the next 5 to 10 years.

A reserve fund plan should be adopted in accordance with the recommendations in this study. Suncorp Valuations would be pleased to provide you with a complete review and updating services for the reserve fund requirements of Wentworth at the Willows Condominium Corporation, as required in the future. We appreciate the opportunity to be of service to you. If you have any questions, please do not hesitate to contact the undersigned.

On behalf of,
SUNCORP VALUATIONS



Jackie Thakore, B.Comm., AACI, P. App.

300 - 261 1st Avenue North, Saskatoon, SK S7K 1X2
Ph 306.652.0311 Toll-Free 800.764.4454 Fx 306.652.8373

Email: info@suncorpvaluations.com Website: www.suncorpvaluations.com

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TABLE OF CONTENTS

Executive Summary of Facts and Conclusions	1
Reserve Fund Estimates	2
Certification.....	3
Limiting Conditions:	4

PART I - GENERAL INFORMATION

Purpose of Reserve Fund Study	5
Intended Use and Intended Users	7
Property and Boundaries	7
Scope of Investigation.....	7
Reserve Fund Study - Principles	9
Reserve Fund Study Projection Factors	11

PART II - DESCRIPTIONS

Basic Construction Components	12
Building Observed Condition and Maintenance History	13

PART III - RESERVE ITEMS - DESCRIPTION AND ESTIMATES

Reserve Fund - Item Descriptions	16
Schedule A - Benchmark Analysis	22
Schedule B - 25 Year Cash Flow Projections	24
Reserve Fund Analysis.....	27
Recommendations	28

PART IV - APPENDIX

Condominium Plans	
Form FF	

EXECUTIVE SUMMARY OF FACTS AND CONCLUSIONS

This executive summary has been prepared as a quick reference of pertinent facts and estimates of this Reserve Fund Study, and it is provided as convenience only. Readers are advised to refer to the full text of this Reserve Fund Study for detailed information.

Client:	Wentworth at the Willows Condominium Corporation
Date of Study:	May 14, 2019
Property:	Wentworth at the Willows 501 Cartwright Street, Saskatoon, Saskatchewan S7T 1E1
Current Fiscal Year End:	December 31, 2019
Reserve Fund Details:	The reserve fund balance as of April 30, 2019, was reported to be \$226,297. Reserve fund contributions of \$35,000 per year are currently being collected and the closing cash balance at the end of the current fiscal year is estimated to be \$203,022 (including interest, contributions and any planned expenditures).
Reserve Requirements:	The Reserve Requirements are defined as the reserve fund levels required considering the estimated effective age and current replacement cost of the relevant components. These are estimated to be \$254,071 at the end of the current fiscal year for all components.
Reserve Surplus (Deficiency):	The Reserve Surplus or Deficiency is defined as the difference between the Reserve Fund Balance and the fully funded Reserve Requirements. By this definition, the Corporation will have a Reserve Fund Deficiency of \$51,049 at the end of the current fiscal year.
Reserve Adequacy:	Reserve Adequacy is a fiscal-year end ratio of the reserve balance to the reserve requirement, expressed as a percentage of the year-to-year fully funded balance. The ratio provides a measure of a corporation's ability to meet its expenditures. The current fiscal year reserve adequacy of the Corporation is estimated at 80% (\$203,022 / \$254,071).
Recommendation:	In my opinion the current reserve fund position of Wentworth at the Willows Condominium Corporation is deficient. This deficiency should be eliminated over the next 25 years by making reserve fund contributions of \$33,748 per year, as outlined in the report that follows, and ensuring that an average rate of return of 2.50% is achieved on the reserve funds held on account. It is important to note that the current reserve fund position is at 80% adequacy and funds are in place to meet the necessary reserve requirements over the next 5 to 10 years.

RESERVE FUND ESTIMATES

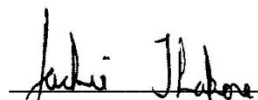
Current Replacement Costs	\$695,925
The estimated costs of replacing reserve components at current prices.	
Future Replacement Costs	\$1,334,294
The estimated costs of replacing reserve components at future prices.	
Current Reserve Fund Requirements	\$254,071
Reserve funds required today, considering the estimated effective age of the components or improvements.	
Future Reserve Fund Accumulation	\$445,399
The current reserve requirements invested at the projected interest rate over the relevant time period.	
Future Reserve Fund Requirements	\$888,895
The shortfall between the future replacement cost estimate and the future reserve fund accumulation.	
Annual Reserve Fund Assessments	\$30,948
Annual amount required to be paid into the reserve fund and to be invested at the projected interest rate to fund the future reserve requirements.	
Annual Reserve Fund Makeup Contribution	\$2,800
Annual makeup contribution required to fund the shortfall of the reserve fund requirements, to be paid into the reserve fund and to be invested at the projected interest rate to fund the future reserve requirements.	
Total Annual Reserve Contribution	\$33,748

CERTIFICATION

A personal inspection of the subject property was conducted on May 14, 2019, by Jackie Thakore, B.Comm., AACI, P. App. Data collection and report preparation was completed by Jackie Thakore, B.Comm., AACI, P. App. The report has been made in conformance with and is subject to the requirements for a consulting assignment of "The Standards" of the Appraisal Institute of Canada. In accordance with those standards, it is hereby certified that:

- To the best of my knowledge and belief, the statements of fact contained in this report are true and correct and verified where possible;
- All pertinent factors affecting this reserve study were considered to the extent felt necessary in rendering reliable recommendations;
- There is no past, present, or contemplated personal interest in the property, nor any personal interest or bias with respect to the parties involved. Neither the employment to prepare this Reserve Fund Study nor the compensation is contingent on the amount of reserve fund estimates reported;
- As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for designated members and candidate members;
- I have the competence to complete this assignment;
- The report is subject only to the assumptions and limiting conditions listed in the report, and the report identifies all of the limiting conditions including terms of the assignment imposed by the appraiser;
- The opinions expressed herein are unbiased professional opinions;
- No significant professional assistance was provided except for those individuals identified herein.
- This is a revision to the original report dated May 14, 2019. This revision has been made to enhance the wording associated with the annual contribution recommendation.

On behalf of,
SUNCORP VALUATIONS



Jackie Thakore, B.Comm., AACI, P. App.

LIMITING CONDITIONS

A Reserve Fund Study is a financial planning tool and cannot be relied on as a technical audit of the components at any time. Our review is based on a cursory (non-invasive) visual inspection of the components and the assumption that these have been installed according to building codes and maintained with good workmanship, materials, and appropriate design.

The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in CUSPAP and in accordance with Suncorp Valuations privacy policy. The client and intended user agrees that in accepting this report, they shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA). Written consent and approval from the author(s) of the report must be obtained before the appraisal (or any part of it) can be conveyed to other parties other than the client and intended user, including mortgagees and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.

The legal and survey descriptions of the property, as stated herein, are those that are recorded by the Registrar of the requisite Land Titles (Registry) Office and are assumed to be correct.

The architectural, structural, mechanical, electrical and other plans and specifications provided for the development are assumed to be correct. All buildings and site improvements are assumed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted.

Sketches, drawings, diagrams, photographs, if any, presented in this report, are included for the sole purpose of illustration. No legal survey, soil tests or environmental impact studies, engineering investigations, detailed quantity survey compilations, exhaustive physical examinations or destructive testing have been made. Accordingly, no responsibility is assumed concerning these matters, or other technical and engineering techniques that would be required to discover any inherent or hidden condition of the property. The report assumes that the corporation desires to maintain the building and grounds in a condition consistent with their original condition over the expected economic lifespan.

In order to arrive at realistic supportable replacement cost estimates, Suncorp used construction practice documents and other cost data that reflect building codes, municipal requirements and building association recognized practices. A concerted effort has been put forth to verify the accuracy of the information contained herein with local construction and market conditions in mind. Accordingly, the information is believed to be reliable and correct, and has been gathered to standard professional procedures, although no guarantee as to the accuracy of the data is implied.

The client to whom this report is addressed may use it in deliberations affecting the subject property only, and in so doing, the report must not be extracted, but must be used in its entirety.

Possession of this report, or any hard or digital copy thereof, does not carry with it the right of publication, nor may a third party use part or the whole of the report for any purpose without the written consent of the author, and in any event, only with the proper qualifications.

The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitration, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated. Unless otherwise noted, all estimates are expressed in Canadian currency.

PART I - GENERAL INFORMATION

PURPOSE OF RESERVE FUND STUDY

The purpose of this Reserve Fund Study is to identify and estimate the replacement cost of the various reserve items and prepare reserve fund schedules and reserve requirements, as of May 14, 2019.

This Reserve Fund Study, which includes an analysis of the required reserve funding, complies with the reserve fund provisions of The Condominium Property Act, 1993 (C-26.1) and Chapter C-26.1 Regulation 2 of the Revised Statutes of Saskatchewan. The pertinent sections of the Legislation are quoted as follows:

The Condominium Property Act - Chapter C-26.1 Regulation 2:

47. For the purposes of sections 57 and 58 of the Act, the corporation shall raise the amounts required for the common expense fund or the reserve fund by levying contributions on the owners of the units:
- (a) in proportion to the unit factors of their respective units; or
 - (b) if a scheme of apportionment for contributions to the fund has been established pursuant to sections 48 and 49, in accordance with that scheme.
- 51.4 (1) The person conducting the reserve fund study shall complete a reserve fund study report in Form FF at the time the study is completed. (Note: The Form FF is located in the addenda of this report.)

The Condominium Property Act, 1993 C-26.1:

- 55 (1) The corporation shall establish the following funds for the purposes set out in subsections (2) and (3):
- (a) a common expense fund; and
 - (b) subject to subsection (6), one or more reserve funds
- (2) Not Applicable
- (3) A reserve fund is established for the purpose of providing for the payment of:
- (a) any unforeseen common expenses;
 - (b) any major repair or replacement of common facilities, common property, service units or assets of the corporation, including roofs, exteriors of buildings, roads, sidewalks, sewers, heating, electrical and plumbing systems, elevators and laundry, recreational and parking facilities; and
 - (c) any major repair or replacement of any units or portions of units designated in any bylaw passed pursuant to clauses 47(1)(f.1) and (i.1).
- (4) A corporation shall not use moneys in its reserve fund for any purpose other than a purpose described in subsection (3).
- (5) A fund established for the purposes set out in subsection (2) is not a reserve fund within the meaning of this section.

(6) The regulations may prescribe circumstances where a corporation is not required to establish a reserve fund.

56 (1) The corporation shall levy on the owners of the units condominium fees consisting of:

- (a) contributions to the common expense fund in amounts determined in accordance with section 57; and
- (b) contributions to the reserve fund in amounts determined in accordance with section 58.

(2) A developer who owns one or more units is deemed to be the owner of those units for purposes of subsection (1).

58 (1) The corporation shall, from time to time:

- (a) determine the amounts required for the reserve fund for the purposes of subsection 55(3) in accordance with the prescribed procedure; and
- (b) subject to subsection (2), determine the amount that is payable by an owner as the owner's contribution to the reserve fund by apportioning the amounts determined pursuant to clause (a) among the owners in accordance with the prescribed procedure.

(2) The regulations may prescribe an owner's minimum contribution to the reserve fund.

Bylaws of this Corporation

Only those parts of the bylaws that are definitive to the establishment of a reserve fund are included here, for reference purposes.

- 2.3 Repair and Maintenance b) the Corporation shall be responsible for the repair, maintenance and replacement, as and when reasonably necessary, of the Common Property, Managed Property, the property of the Corporation (including all fencing erected by, for or on behalf of the Developer) property insured by the Corporation to the extent of the proceeds of insurance paid to the Corporation and, the service or utility distribution lines for all services within the Project including those service or distribution lines contained within a unit (subject to the Owner's responsibility as set forth above);
- 2.3 Repair and Maintenance a) the Owner of each unit shall, in respect to that Unit and subject to Article 15 hereof, be responsible for the maintenance, cleanliness, upkeep, repair and replacement (as and when reasonable necessary) of; (v) all utility and service distribution lines in the Unit servicing the Unit excepting those service and utility distribution lines servicing other units.

INTENDED USE AND INTENDED USERS

This report has been prepared for the Board of Directors of the subject complex. As such, only this party is recognized as intended user of this report, for the intended use of establishing a reserve fund plan. Liability for unintended uses of this document or to unintended users is expressly denied.

PROPERTY AND BOUNDARIES

Description

Wentworth at the Willows Condominium is located along Cartwright Street, in the Willows neighbourhood of Saskatoon, and is municipally known as 501 Cartwright Street.

Boundary Description

The subject is a bareland condominium and the registered condominium plan states that all areas not designated with a unit number are common property.

SCOPE OF INVESTIGATION

The subject property was inspected on May 14, 2019. It is important to note that the Reserve Fund Study is a financial planning tool. The Reserve Fund Study cannot be relied on as a technical audit of the components at any time. Our review is based on a cursory (non-invasive) visual inspection of the components and the assumption that these have been installed and maintained with good workmanship, materials, and appropriate design.

The registered condominium plans, as well as the architectural site plans, were relied upon for details of the construction, improvements and other relevant data. Documentation was provided by the client regarding recent history of contributions to and transfers from the reserve fund as applicable, as well as various documents including:

- Wentworth at the Willows Condominium Corporation Bylaws
- Wentworth at the Willows Condominium Corporation Balance Sheet - Detail as of December 31, 2014, 2015, 2016, 2017 and 2018
- Wentworth at the Willows Condominium Corporation Balance Sheet - Detail as of April 30, 2019
- Wentworth at the Willows Condominium Corporation 2019 Budget

Reserve Fund Estimates and Cost Data

Cost data has been investigated using construction cost services, modified as to time, location and quality of construction. Where such data was incomplete, contractors were interviewed with respect to local conditions and costs on similar repair projects.

Replacement reserve estimates are classified in terms of building groups, common element facilities and site improvements. Reserve fund estimates include not only replacement components, but also repairs to building and equipment. Reserve fund estimates apply to structures, improvements and equipment, which comprise common elements. Any additions or improvements made by unit owners to their respective premises are not included in these estimates. Owners should be advised by the board to adopt maintenance programs for their respective units and any limited common property or exclusive use property under their control.

Reserve fund estimates include provisions for demolition and disposal costs, dumping fees, as required, as well as applicable taxes such as the Goods and Services Tax ("GST") or Provincial Sales Tax ("PST").

Limiting Conditions and Assumptions

In estimating various reserve items, certain assumptions are made in respect to structural and non-structural repairs and replacements. For example, reserves for exterior walls, most structural repairs, replacements of mechanical and electrical components are difficult to predict and quantify, particularly the exact timing that such repairs or replacements will be required. The only reasonable approach is to provide an approximate timeframe and, in some cases, contingency estimates, where replacement of an entire system is not likely to be required.

The underlying assumptions and quantification of contingency reserves should be reviewed from time to time, particularly in the context of repair experience and problem investigations, such as water damage, cracks in walls and concrete structures, noticeable deterioration, etc.

Reserve fund estimates are subjective and based on an understanding of the lifecycle of building components and experience gained from observing buildings and components. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for most contingencies, if and when they arise. Reserve fund requirements are subject to change and must be reviewed and modified over time, no less than every five years.

In essence, the corporation should adopt a long-term policy regarding reserve fund allocations that must be flexible to accommodate changes in reserve fund requirements in the future.

RESERVE FUND STUDY - PRINCIPLES

A Reserve Fund Study is a financial document and, as such, should be viewed as a guide to planning budgets and maintenance programs and, unlike a technical audit, it does not deal with detailed technical matters. Rather, this document takes a business approach to reserve fund management.

This Reserve Fund Study comprises the following elements:

- (1) Identifies the reserve components, their quality, normal lifespan and present condition;
- (2) Provides a current replacement cost estimate including the cost of removing worn out items and special safety provisions;
- (3) Projects the useful life of components that will require replacement in terms of remaining serviceable years;
- (4) Projects future replacement costs at an appropriate and compounded inflation rate;
- (5) Projects the value of current reserve funds compounded at a long-term interest rate;
- (6) Calculates current reserve fund contributions required and to be invested in interest bearing securities.

The salient estimates and conclusions of this Reserve Fund Study are contained in the following schedules. Our recommendations are for guidance to management and the board of directors.

In estimating replacement reserves, the component method of valuation is used. Reserve items consist of building or site components, such as roof systems, exterior walls, pavement and sidewalks, each of which has a limited lifespan, therefore, must be repaired, replaced or periodically upgraded to maintain the property in suitable condition.

Replacement cost estimates are based on the assumption of using quality materials, as specified or built or, in the case of older developments, as required under current building code regulations, at contractor's prices, using standard labour and current construction techniques, and including contractor's overhead and profit. No allowance is made for premiums related to overtime, labour shortages, or work stoppages during repair projects that may affect costs.

In estimating the lifespan of the various components, physical deterioration, functional obsolescence and environmental factors are considered. In measuring the reserve requirements, depreciation tables and normal lifespan experience records are combined with personal experience and observation, reference to cost guides, and discussions with contractors to formulate the most likely scenario for component replacement.

Examination of plans allows accurate calculation of many of the building areas and these calculations affect the estimate for reserve fund. It should be kept in mind, however, that the quantities referred to for any particular reserve item represent an estimate which could vary for any number of reasons.

Demolition and Disposal Costs

The estimates include provisions for demolition and disposal costs including dumping fees, where applicable. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly (e.g., asbestos). It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further increase disposal costs.

Structural Deficiencies

Significant events causing a structural deficiency may require a special assessment to be levied that would generally be outside the scope of this type of study. Generally, these are unforeseen. However, the existing reserve account, at the time of such a failure, may respond to part or all of the cost for such repairs. It is particularly important, if such unforeseen events occur, that the reserve fund be revisited to ensure the soundness of the fund following the repair of these types of problems.

RESERVE FUND STUDY PROJECTION FACTORS

Historically, building costs have been rising at various rates from year to year, depending on business cycles, economic conditions, interest rates, etc. In boom periods, cost increases are typically fairly pronounced, whereas in recessionary times, cost increases were only nominal or costs even declined. Given that the subject of a Reserve Fund Study is construction, we have used long-term construction cost indices as construction material and labour cost trends are more relevant to reserve fund planning than consumer price indices.

The best available, well respected, data is from the Marshall and Swift Cost Manual, which summarized construction costs for this region, as illustrated below:

<u>All Building Classes</u> (December 2018 Base)	<u>Class D (Wood Frame)</u> (December 2018 Base)
4.8% for the past year	4.6% for the past year
2.9% per year for the past 3 years	2.9% per year for the past 3 years
2.1% per year for the past 5 years	2.1% per year for the past 5 years
1.7% per year for the past 10 years	2.3% per year for the past 10 years

We also rely on the Canadian Inflation Rate, published by Statistics Canada, which measures the general rise in prices measured against a standard level of purchasing power (known as the Consumer Price Index (CPI)). This rate is all encompassing and while it includes construction costs as part of the calculation, it also includes a wide variety of other consumer products and services. The overall Canadian Inflation Rate has ranged between 1.12% and 2.25% over the past five years, while Saskatchewan has ranged from 1.1% to 2.4% during this same time period.

Long-term cost increases are not expected to be significantly impacted by inflationary pressures; therefore, the long-term average construction cost factor is presently estimated at 2.25%.

Interest rates have fluctuated greatly over time, and they have historically been influenced by inflation and government policies. A reliable reference is Guaranteed Investment Certificates (GICs) rates which, depending on the maturity timeframes, generate a range in rates from 1.50% to 3.00% for terms of one to five years. The GIC rates for the “Big Five” banks are slightly more conservative, generating a range in rates from 1.20% to 2.20% for terms of one to five years. With a relatively conservative long-term strategy, a rate of 2.50% should be achievable over the mid-term. The types of investments that corporations may use to invest reserve fund monies are regulated by the Property Act.

For this report, in projecting replacement cost estimates and reserve fund requirements, we used the following factors:

Inflation Rate	2.25%
Interest Rate	2.50%

RESERVE FUND PLANNING SHOULD BE REGULARLY REVIEWED TO ADJUST FOR CHANGES IN INFLATIONARY TRENDS AND INVESTMENT RETURNS, AS THEY SIGNIFICANTLY IMPACT LONG-TERM RESERVE FUND REQUIREMENTS.

PART II - DESCRIPTIONS

WENTWORTH AT THE WILLOWS CONDOMINIUM - GENERAL DESCRIPTION

The subject is a Bare Land Condominium project that was designed by Dundee Developments in 2005. The project is comprised of a total of forty-one (41) single-family lots. The lot development consists of a mix of bungalow and two-storey style executive homes, many of which have walk-out features backing the golf course and pond areas.

BASIC CONSTRUCTION COMPONENTS

Site Plans

The condominium plans have been placed in the Addenda, as compiled from ISC (Saskatchewan Land Titles).

Building Structure/Exterior Walls

The subject is a Bare Land Condominium, thus, the repair and maintenance of all improvements constructed on the unit parcel are the responsibility of the unit owner.

Electrical

Common electrical services include site lighting and the underground electrical grid (running from the various transformers to the bare land units).

Parking Area

Parking is permitted along the internal roadways, but the site does not have any designated visitor parking areas.

Landscaping

The subject is a Bare Land Condominium, thus, the repair and maintenance of all landscaping and improvements contained within the unit parcel are the responsibility of the unit owner. Common area soft landscaping has been excluded from consideration, as it is considered a general maintenance item. Common area site improvements include: asphalt streets, concrete gutter curbing, and perimeter metal fencing.

Quality of Construction

The project was constructed in 2005 in accordance with applicable building codes and then current construction practices. The quality of construction, materials and workmanship are considered to be good for its date of construction, consistent with local condominium construction.

BUILDING OBSERVED CONDITION AND MAINTENANCE HISTORY

Management Policy

Information provided by the client indicates that reserve fund contributions are being made as a lump sum amount at the end of each fiscal year. Contributions for the 2018 fiscal year were \$35,000. The reserve fund balance as of April 30, 2019, was reported to be \$226,297.

Historical Reserve Fund Operation

There have been no major reserve fund expenditures required to date.

PART III - RESERVE ITEMS - DESCRIPTION AND ESTIMATES

In estimating reserves required for maintaining the building components and improvements at desired standards, the various reserve components, estimated replacement costs and project cost estimates are made in accordance with anticipated lifespans. Therefore, it is essential that the terminology and methodology are clearly understood.

Reserve Item: Identification and description of the building component or improvement.

Replacement Cost: The estimated cost of repairing or replacing a component at current prices, including the cost of demolition and disposal.

Expected or Normal Life Span: The estimated life expectancy of a component in terms of years under normal conditions.

Actual Age: The chronological age of the project or reserve component expressed in years.

Estimated Effective Age: An observed condition estimate of improvements not necessarily the actual age, expressed in years.

Remaining Life Span: The difference between the expected or normal lifespan and the estimated effective age of a reserve component.

Projected Inflation: An estimated long-term inflation factor used in projecting cost estimates.

Projected Interest Rate: An estimated long-term percentage earned on reserve account investment funds, used in projecting the total reserve fund accumulation over the forecast period.

Current Replacement Cost: The estimated cost of replacing a reserve item at current prices.

Future Replacement Cost: The estimated cost of replacing reserve components at future prices.

Current Reserve Requirements: Reserve fund levels required today considering the estimated effective age of the improvements.

Future Reserve Accumulation: The current reserve requirements invested at the projected interest rate over the relevant time period.

Future Reserve Requirements: The shortfall between the future replacement cost estimate and the future reserve fund accumulation.

Annual Reserve Assessment: Annual amount required to be paid into the reserve fund and to be invested at the projected interest rate to fund the future reserve requirements.

Reserve Surplus (Deficiency): The reserve fund status is defined by the difference between the current Reserve Fund Balance and the current Reserve Fund Requirements as the end of a fiscal-year.

Reserve Adequacy: The fiscal-year end ratio of the reserve balance to the reserve requirement, expressed as a percentage of the year-to-year fully funded balance. The ratio provides a measure of a corporation's ability to meet its expenditures.

Sufficiency/Deficiency Analysis

Once the requirements for existing and anticipated future repairs and replacements are formulated, an analysis is made of the current reserve account. The stated policy/strategy that the board is following with respect to annual contributions to the reserve fund account is also examined. This analysis essentially matches the recent operations to the long-term requirement to set aside sufficient funds in order to meet all future obligations. The estimated current reserve fund requirement is calculated by taking into account the current replacement cost of an item, as well as its effective age and overall life expectancy. For example, if the lifecycle of a component is 20 years and it is 10 years old (effective age), then the corporation should have on hand 50% (10/20) of the current replacement cost.

There are certain assumptions required in order to formulate the future reserve requirements, especially in those areas where it is difficult to forecast with certainty when some items will require repair or replacement. In those cases, a contingency allowance has been made.

There are also certain items that may require attention more than once over the 25-year forecast period. For example, a scheduled replacement of a component may be required more than once over the period that this study covers. Accordingly, the cost to complete this replacement must be included twice over the cash flow horizon, at a suitable cost to complete the replacement when it is expected to occur. In other words, if the component is replaced next year, and again in 12 years, the cost for the latter replacement will be at then-current prices. Therefore, the amount of funds set aside for component replacement must respond to two events for the same item, and the second one will be at a 12-year inflated cost.

Furthermore, certain components may not require replacement over the forecast period; however, they will require replacement at some point beyond that timeframe. The fund must be sufficient to also respond to those replacements while maintaining a relatively level annual contribution. For example, the component may have a service life that is beyond the cash flow forecast period. However, if this lifespan is 40 years, and the forecast covers a 25-year period, the component will only have a life expectancy of 15 years at the end of the study period. There must be sufficient funds in the reserve account to respond to such a replacement. Therefore, the commentary that follows covers all items that will normally be expected to be replaced or refurbished before the full life expectancy of the overall project is reached. The fund is a combination of event-driven contingencies, plus an allowance for partially depleted building components.

RESERVE FUND - ITEM DESCRIPTIONS

Reserve Component: Sewer and Water Systems

This reserve component includes the water and sewer lines and the on-site fire hydrant. The water and sewer lines are underground and, therefore, out of view for inspection. Normally, the components (valves, pipes, etc.) will last the life of the structure without requiring repair. However, if repairs are required, they will be costly as the work requires excavation to access the sewer or water lines and may include the replacement/retrofit of the on-site fire hydrant. It is impossible to predict the magnitude of repairs and, therefore, the associated financial requirements. An allowance figure is used. Depending on the specific repair, the balance in the reserve fund may cover the expense. However, if there is a shortage of funds, a special assessment would be required.



Replacement Cost Estimate: \$100,000

Life Span Estimates:	Estimated Life Span	70 years
	Estimated Effective Age	14 years
	Remaining Life Span	56 years

Reserve Fund Estimates:	1 Current Replacement Costs	\$100,000
	2 Future Replacement Costs	\$347,653
	3 Current Reserve Requirements	\$20,000
	4 Future Reserve Accumulation	\$79,720
	5 Future Reserve Requirements	\$267,933
	6 Annual Reserve Assessment	\$2,243

Deficiency Analysis

No specific allowance is made under the forecast period; however, the annual assessment should allow for any unforeseen issues.

Reserve Component: Fencing - Metal

This reserve component includes the metal perimeter fencing. The fence is considered maintenance free, but over time will require attention (painting) due to weathering, as any necessary repairs. The condition of the fence at the time of inspection was good, with the exception of a few sections which have heaved/twisted. These areas will require repair in the short term.



Replacement Cost Estimate: \$36,952

Life Span Estimates:	Estimated Life Span	15 years
	Estimated Effective Age	15 years
	Remaining Life Span	0 years

Reserve Fund Estimates:	1 Current Replacement Costs	\$36,952
	2 Future Replacement Costs	\$36,952
	3 Current Reserve Requirements	\$36,952
	4 Future Reserve Accumulation	\$36,952
	5 Future Reserve Requirements	\$0
	6 Annual Reserve Assessment	\$2,877

Deficiency Analysis

Under ordinary conditions, the perimeter metal fencing should last the life of the building; therefore, no allowance is made for complete replacement. It is anticipated that the fencing will require painting in the future due to weathering, as well as any necessary repairs.

A reserve allocation of this item will occur 2 times throughout the life cycle. An allowance has been allocated in 2019 and 2034.

It is assumed that the allowance allocated in the current fiscal year will be spent on fence repairs, as other than a few sections, the remainder of the fence is in good condition.

Reserve Component: Asphalt Paving and Concrete Work - Replacement

This reserve component includes the common area paved asphalt roadways and concrete gutter curbing. These components were in good condition at the time of inspection; thus, an effective age of 10 years has been applied. This repair item is based on the replacement of the paved asphalt roadways, as well as extensive repair or replacement of the concrete gutter curbing, based on useful life.



Replacement Cost Estimate: \$474,889

Life Span Estimates:	Estimated Life Span	30 years
	Estimated Effective Age	10 years
	Remaining Life Span	20 years

Reserve Fund Estimates:	1 Current Replacement Costs	\$474,889
	2 Future Replacement Costs	\$741,069
	3 Current Reserve Requirements	\$158,296
	4 Future Reserve Accumulation	\$259,386
	5 Future Reserve Requirements	\$481,683
	6 Annual Reserve Assessment	\$18,857

Deficiency Analysis

Based on life expectancy, a reserve requirement should not be needed until 2039.

Reserve Component: Asphalt Paving and Concrete Work - Maintenance

This reserve component includes repair to common area asphalt or concrete areas, as well as the application of a slurry sealant coat to the asphalt roadways. These areas were in average to good condition at the time of inspection, with the exception of the portion of the concrete gutters surrounding the storm drains. These areas have cracked and will require repair.



Replacement Cost Estimate: \$31,564

Life Span Estimates:	Estimated Life Span	6 years
	Estimated Effective Age	5 years
	Remaining Life Span	1 years

Reserve Fund Estimates:	1 Current Replacement Costs	\$31,564
	2 Future Replacement Costs	\$32,274
	3 Current Reserve Requirements	\$26,303
	4 Future Reserve Accumulation	\$26,961
	5 Future Reserve Requirements	\$5,313
	6 Annual Reserve Assessment	\$5,313

Deficiency Analysis

An allowance for any necessary asphalt/concrete repairs and the application of a slurry sealant coat has been allocated in 2020, 2026, 2032, 2038 and 2044. An allowance to repair the concrete gutters around the storm drains has been allocated in the current year.

Reserve Component: Underground Electrical

This reserve component includes the exterior site lighting and the underground electrical grid. The site's electrical services are underground, running from the various transformers to the units. The power is provided via the City, and the transformers on site were supplied and installed by the local utility (the maintenance and repair of the power source/transformer is the responsibility of the City). The condominium corporation is required to maintain and repair their own underground electrical distribution system (from the transformer to the units). The condition of these components at the time of inspection was good. The cost includes an allowance for the exterior site lighting, as well as a contingency allowance, for the repair and/or replacement of the underground electrical grid.



Replacement Cost Estimate: \$50,000

Life Span Estimates:	Estimated Life Span	70 years
	Estimated Effective Age	14 years
	Remaining Life Span	56 years

Reserve Fund Estimates	1 Current Replacement Costs	\$50,000
	2 Future Replacement Costs	\$173,826
	3 Current Reserve Requirements	\$10,000
	4 Future Reserve Accumulation	\$39,860
	5 Future Reserve Requirements	\$133,966
	6 Annual Reserve Assessment	\$1,122

Deficiency Analysis

No specific allowance is made under the forecast period; however, the annual assessment should allow for any unforeseen issues.

Reserve Component: Reserve Fund Studies

This reserve component accounts for the completion of a Reserve Fund Study every 5 years. Provincial legislation requires that Condominium Corporations update their Reserve Fund Study a minimum of every 5 years, and we recommend that these studies be updated every three (3) to five (5) years, as any significant changes to interest rates, construction costs and other factors can alter the recommended contribution structure.



Replacement Cost Estimate: \$2,520

Life Span Estimates:	Estimated Life Span	5 years
	Estimated Effective Age	5 years
	Remaining Life Span	0 years

Reserve Fund Estimates:	1 Current Replacement Costs	\$2,520
	2 Future Replacement Costs	\$2,520
	3 Current Reserve Requirements	\$2,520
	4 Future Reserve Accumulation	\$2,520
	5 Future Reserve Requirements	\$0
	6 Annual Reserve Assessment	\$536

Deficiency Analysis

An allowance for the completion of a Reserve Fund Study has been allocated in years 2019, 2024, 2029, 2034, 2039 and 2044.

SCHEDULE A - BENCHMARK ANALYSIS

In reviewing the various reserve fund components in terms of their condition and lifecycle, separate reserve fund requirements were produced and appear on the following page.

In estimating the replacement costs of reserve components, as well as using our own cost compilation, we relied on Building Service and Costing publications, such as the Means Repair & Remodeling Cost Data, RS Mean Costing Manuals and Marshall and Swift Cost Service. In addition, we verified some estimates by seeking quotations from local contractors, fabricators and suppliers.

In summary, the current replacement cost estimates, the current reserve fund requirements, and the estimated annual reserve fund contributions are defined as follows:

- 1) Current replacement costs are the reserve fund provisions at current prices and under current economic conditions.
- 2) Current reserve fund requirements refer to reserve funds which should be retained by the board and be invested in interest-bearing securities.
- 3) The annual reserve fund contributions consist of the monthly portion of the board fees allocated by the owners to the reserve fund to meet potential capital expenditure requirements in the future.

The result of these benchmarked estimates for each component is a fully funded annual contribution amount that would be appropriate if the reserve were fully funded today, inclusive of all deferred contributions from the past.

Reserve Analysis

The reserve requirements at the end of the current fiscal year are estimated to be \$254,071. The reserve fund balance at the end of the current fiscal year is estimated to be \$203,022 (including interest, contributions and any planned expenditures). Therefore, as of December 31, 2019, the reserve fund will be deficient by \$51,049 and the reserve fund status as measured by reserve adequacy will be 80% (\$203,022 / \$254,071).

The fund must be capable of responding to the future costs, inclusive of the inflation between the date of this study and the date of actual replacement. This cost is shown in Column H. Column J converts this to an estimate of the unfunded cost increase. Column K quantifies the difference between the accumulated fund at current replacement costs and the amount required to replace these same components at their inflated cost.

The second-to-last column, Column L, indicates the amount that should be collected each year, under normal circumstances, and assuming that the full life expectancy was still available for all reserve components.

Reserve Fund Estimates for Wentworth at the Willows Condominium Corporation
"Benchmark Analysis"

Schedule A

	D	E	F	G	H	I	J	K	L	M
BENCHMARK ANALYSIS	EXPECTED LIFESPAN YEARS	EFFECTIVE AGE YEARS	REMAINING LIFESPAN YEARS	CURRENT REPLACEMENT COST	FUTURE REPLACEMENT COST	CURRENT RESERVE FUND REQUIREMENTS	FUTURE RESERVE FUND ACCUMULATION	FUTURE RESERVE FUND REQUIREMENTS	ANNUAL RESERVE FUND ASSESSMENT	RESERVE FUND ASSESSMENT ALLOCATION
SITE IMPROVEMENTS										
SEWER AND WATER SYSTEMS	70	14	56	100,000	347,653	20,000	79,720	267,933	2,243	7.20
FENCING-METAL	15	15		36,952	36,952	36,952	36,952		2,877	9.30
ASPHALT PAVING AND CONCRETE WORK-REPLACEMENT	30	10	20	474,889	741,069	158,296	259,386	481,683	18,857	60.90
ASPHALT PAVING AND CONCRETE WORK-MAINTENANCE	6	5	1	31,564	32,274	26,303	26,961	5,313	5,313	17.20
UNDERGROUND ELECTRICAL	70	14	56	50,000	173,826	10,000	39,860	133,966	1,122	3.60
MISCELLANEOUS										
RESERVE FUND STUDIES	5	5		2,520	2,520	2,520	2,520		536	1.70
TOTALS				\$695,925	\$1,334,294	\$254,071	\$445,399	\$888,895	\$30,948	100%

SCHEDULE B – 25-YEAR CASH FLOW PROJECTIONS

Schedule B - Reserve Fund Cash Flow Projections and Reserve Fund Estimates "Deficiency Analysis" presents a 25-year reserve fund projection showing cash positions, cash flows and cash expenditures in a form and detail which conforms to standard financial statement presentations of reserve fund operations. The objective of the exercise is to illustrate the impact of the recommendations that are formulated based on the benchmark analysis. This is not to suggest that cash flows will follow the pattern indicated in the spreadsheet, rather this is a tool to ensure that available cash does not go below zero in any fiscal-year, and allows a matching of the overall fund operation to the combination of regularly required reserve fund contributions and an orderly "catch-up" provision to fully fund the reserve. The following spreadsheet is organized under the following headings.

Opening Cash Balance

This is the reserve fund position at the beginning of the fiscal year showing the cash resources available that consist of (1) bank deposits, (2) qualified investments, and (3) accrued interest earned.

Cash Flows

These are the regular reserve fund contributions (as calculated in Schedule A), reserve fund interest income and any make-up contributions, based on 2.50% of the opening yearly balance generated as interest.

Total Cash Resources

These represent the total cash resources available in any fiscal year and include the current year's cash flow.

Reserve Fund Expenditures

These are annual expenditures listed in the categories established in the benchmark analysis. Records or ledger accounts of these expenditure categories should be kept showing reserve fund allocations and charges in a chronological order for control and reference.

Closing Cash Fund

This is the reserve fund position at the end of the year, which is carried forward to the next year.

Reserve Requirements

Reserve requirements are projected by a formula, taking into account the inflation factor, interest rates and reserve fund expenditures. Therefore, any reserve fund expenditures will not affect the reserve fund deficiency because such expenditures will also affect the reserve requirements.

Reserve Fund Surplus (Deficiency/Sufficiency)

The Reserve Fund Surplus (Deficiency/Sufficiency Analysis) has been projected by comparing the board's reserve fund (or Closing Cash Balance) to the estimated reserve fund requirement. A fund is considered deficient if the Reserve Fund Surplus is negative and the fund is considered sufficient if the Reserve Fund Surplus is positive.

Reserve Adequacy

The fiscal-year end ratio of the reserve balance to the reserve requirement, expressed as a percentage of the year-to-year fully funded balance. The ratio provides a measure of a corporation's ability to meet its expenditures.

Reserve Fund Plan 25-Year Cash Flow Projection for Wentworth at the Willows Condominium

Schedule B - Recommendation

	Reserve Estimate	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024	YEAR 2025	YEAR 2026	YEAR 2027	YEAR 2028	YEAR 2029	YEAR 2030	YEAR 2031	YEAR 2032	YEAR 2033	YEAR 2034	YEAR 2035	YEAR 2036	YEAR 2037	YEAR 2038	YEAR 2039
FISCAL YEAR ENDING DECEMBER 31, 2019																						
BALANCE AS OF APRIL 30, 2019		226,297																				
OPENING CASH BALANCE AS OF EFFECTIVE DATE		226,768	203,022	216,995	256,168	296,320	337,476	376,844	420,013	427,377	471,809	517,352	560,886	608,656	657,620	665,657	716,046	712,584	764,147	816,999	871,172	878,527
ANNUAL RESERVE FUND ASSESSMENT		18,053	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948	30,948
RESERVE FUND MAKEUP		1,633	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
TOTAL RESERVE FUND CONTRIBUTIONS		19,686	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748	33,748
RESERVE FUND INTEREST INCOME		3,300	5,076	5,425	6,404	7,408	8,437	9,421	10,500	10,684	11,795	12,934	14,022	15,216	16,441	16,641	17,901	17,815	19,104	20,425	21,779	21,963
TOTAL CASH RESOURCES		249,754	241,846	256,168	296,320	337,476	379,661	420,013	464,261	471,809	517,352	564,034	608,656	657,620	707,809	716,046	767,695	764,147	816,999	871,172	926,699	934,238
RESERVE FUND EXPENDITURES																						
SEWER AND WATER SYSTEMS	20,000																					
FENCING - METAL	36,952	36,952															51,593					
ASPHALT PAVING AND CONCRETE WORK - REPLACEMENT	158,296																					741,069
ASPHALT PAVING AND CONCRETE WORK - MAINTENANCE	26,303	7,260	24,851						36,884						42,152						48,172	
UNDERGROUND ELECTRICAL	10,000																					
RESERVE FUND STUDIES	2,520	2,520					2,817					3,148					3,518					3,932
TOTAL EXPENSES		46,732	24,851				2,817		36,884			3,148			42,152		55,111				48,172	745,001
CLOSING CASH BALANCE		203,022	216,995	256,168	296,320	337,476	376,844	420,013	427,377	471,809	517,352	560,886	608,656	657,620	665,657	716,046	712,584	764,147	816,999	871,172	878,527	189,237
RESERVE REQUIREMENTS	254,071	254,071	266,520	304,131	342,682	382,197	419,883	461,328	466,925	509,546	553,233	594,864	640,684	687,649	693,636	741,925	736,310	785,666	836,256	888,110	893,089	201,363
RESERVE FUND SURPLUS (DEFICIENCY/SUFFICIENCY)		-51,049	-49,525	-47,963	-46,362	-44,721	-43,039	-41,315	-39,548	-37,737	-35,881	-33,978	-32,028	-30,029	-27,979	-25,879	-23,726	-21,519	-19,257	-16,938	-14,562	-12,126
RESERVE ADEQUACY		80%	81%	84%	86%	88%	90%	91%	92%	93%	94%	94%	95%	96%	96%	97%	97%	97%	98%	98%	98%	94%

Reserve Fund Plan 25-Year Cash Flow Projection for Wentworth at the Willows Condominium

Schedule B - Recommendation

	YEAR 2040	YEAR 2041	YEAR 2042	YEAR 2043	YEAR 2044
FISCAL YEAR ENDING DECEMBER 31, 2019					
BALANCE AS OF APRIL 30, 2019					
OPENING CASH BALANCE AS OF EFFECTIVE DATE	189,237	227,716	267,157	307,584	349,022
ANNUAL RESERVE FUND ASSESSMENT	30,948	30,948	30,948	30,948	30,948
RESERVE FUND MAKEUP	2,800	2,800	2,800	2,800	2,800
TOTAL RESERVE FUND CONTRIBUTIONS	33,748	33,748	33,748	33,748	33,748
RESERVE FUND INTEREST INCOME	4,731	5,693	6,679	7,690	8,726
TOTAL CASH RESOURCES	227,716	267,157	307,584	349,022	391,496
RESERVE FUND EXPENDITURES					
SEWER AND WATER SYSTEMS					
FENCING - METAL					
ASPHALT PAVING AND CONCRETE WORK - REPLACEMENT					
ASPHALT PAVING AND CONCRETE WORK - MAINTENANCE					55,052
UNDERGROUND ELECTRICAL					
RESERVE FUND STUDIES					4,395
TOTAL EXPENSES					59,447
CLOSING CASH BALANCE	227,716	267,157	307,584	349,022	332,049
RESERVE REQUIREMENTS	237,345	274,227	312,031	350,780	331,050
RESERVE FUND SURPLUS (DEFICIENCY/SUFFICIENCY)	-9,629	-7,070	-4,447	-1,758	999
RESERVE ADEQUACY	96%	97%	99%	99%	100%

RESERVE FUND ANALYSIS

According to this Reserve Fund Study, based on the stated assumptions, lifecycle analysis of the project, an inflation rate of 2.25% and an investment return of 2.50%, the reserve requirements at the end of the current fiscal year are estimated to be \$254,071. The reserve fund balance at the end of the current fiscal year is estimated to be \$203,022 (including interest, contributions and any planned expenditures). Therefore, as of December 31, 2019, the reserve fund will be deficient by \$51,049, or have a reserve fund adequacy of 80%.

In order to formulate the recommendations, a series of tests were applied to the cash flow projections in order to ensure that, according to the forecasts, the cash balance of the reserve account never reaches zero (or a negative figure) and allow a reasonable reserve fund surplus by the end of the period.

The first scenario applied was at the current funding level of \$35,000 per annum (amount contributed in the 2018 fiscal year). Under this scenario, the closing cash balance remains positive throughout the cycle and there was an excessive reserve fund surplus at the end of the cycle.

The second scenario was at the contribution level suggested in the Benchmark Analysis shown in Schedule A (\$30,948 per annum). This created an unsatisfactory result, with a negative reserve fund surplus throughout the cycle. This is because the current fund has already fallen slightly behind by what should be on hand.

The third scenario, as presented in Schedule B, was to determine an appropriate make-up contribution that would eliminate any negative closing cash balance and provide for a positive reserve fund surplus (sufficient reserve fund) during the forecast period. Accordingly, a make-up contribution of \$2,800 per year resulted in a reasonable reserve surplus in the last few years of the forecast period. Thus, it is recommended that a contribution of \$33,748 per annum (\$30,948 (Annual Reserve Fund Assessment) + \$2,800(Make-up Contribution)) be contributed to the reserve over the next 25 years, after which time the reserve fund will be sufficient.

The recommended reserve fund contributions will ensure that sufficient funds are available to cover future reserve fund expenditures, while reducing the reserve fund deficiency and achieving increased reserve adequacies, until a 100% level is reached at the end of the 25 year cycle.

In all instances, it is important to adopt a disciplined approach to reserve funding and reserve management to ensure the future viability and value of condominium projects. Reserve funds should be invested in high-yielding guaranteed investments to earn maximum returns. In the long run, investment returns will exceed the owner's contributions; therefore, the higher the investment return, the less owners are required to contribute to the reserve fund.

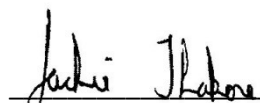
In summary of the findings, it is recommended that Wentworth at the Willows Condominium Corporation, contribute \$33,748 as directed above, to the reserve fund.

RECOMMENDATIONS

The following recommendations include the recognition of the current reserve fund position, the condition of the property, and the various assumptions implied in this report.

- A formal reserve fund plan and strategy should be prepared and implemented.
- Reserve fund expenditures should be planned in advance of contemplated major repair or replacements.
- The Reserve Fund Plan or Program should be reviewed annually and updated in accordance with observed conditions and repair or replacement experience.
- The schedules and underlying assumptions of the reserve fund study should be reviewed every year, and the reserve fund study in its entirety should be updated every five years.
- Reserve funds should be segregated and managed in compliance with the provincial act and regulation requirements.
- Reserve funds should be fully invested in qualified securities to earn the maximum interest available at all times. An attempt should be made to achieve investment returns in the 2.50% range, on average.
- The annual reserve fund assessment policy of the Board should be to provide for a total reserve fund contribution of \$33,748 per annum over the next 25 years. It is important to note that the current reserve fund position is at 80% adequacy and funds are in place to meet the necessary reserve requirements over the next 5 to 10 years.

On behalf of,
SUNCORP VALUATIONS

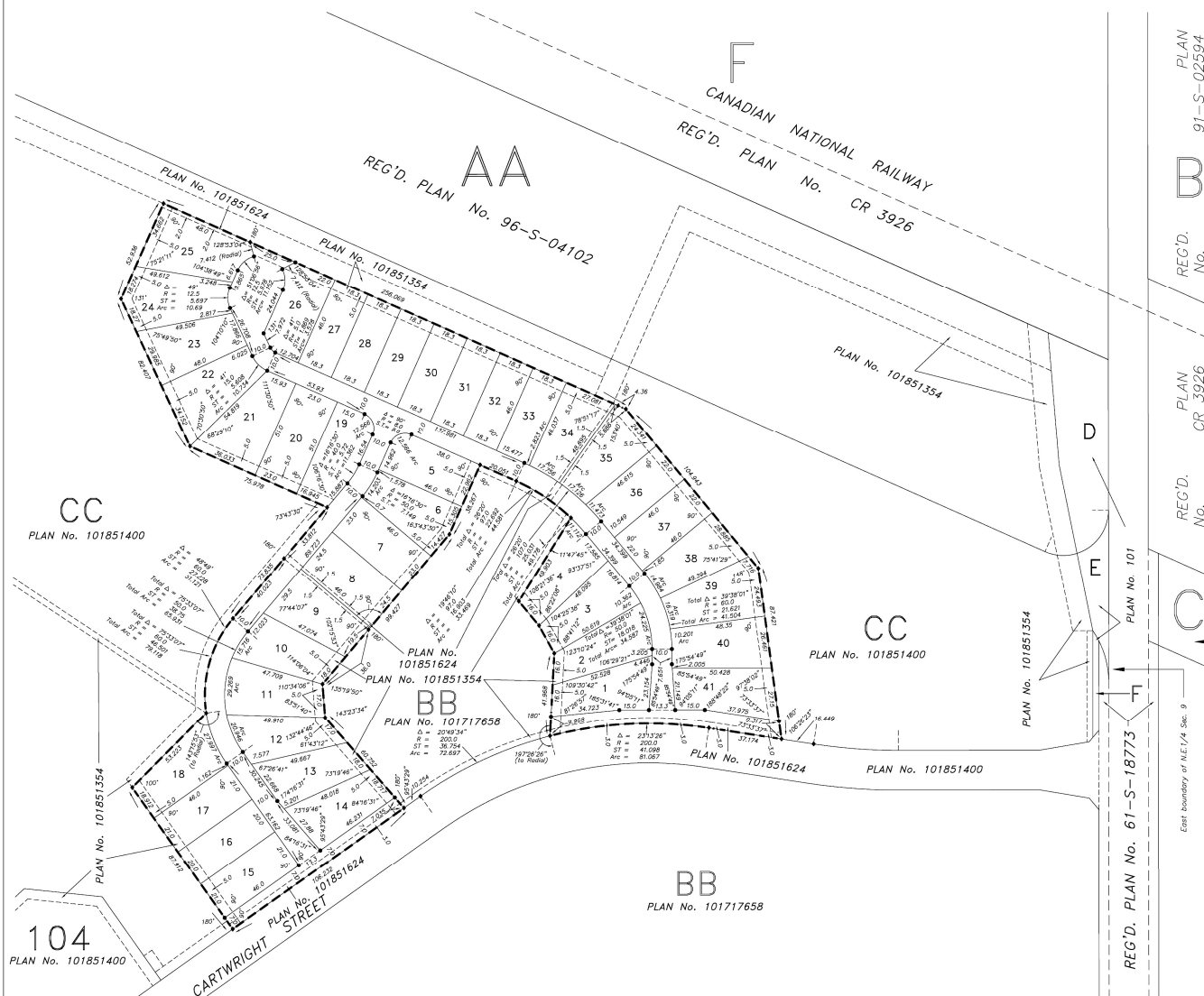


Jackie Thakore, B.Comm., AACI, P. App.

October 21, 2019

**PART IV - APPENDIX
CONDOMINIUM PLANS
FORM FF**

10000



LEGEND

- (1) Distance dimensions shown are in metres and decimals thereof.
- (2) Bare Land Unit numbers are shown thus **1, 2, 3, etc.**
- (3) ♦ Indicates found iron post.
- (4) ♦ Indicates planted standard iron posts.
- (5) All unit corners not marked with iron posts are marked with 0.013 x 0.45 small iron posts.
- (6) All areas not designated with a Bare Land Unit Number form part of the COMMON PROPERTY.
- (7) Area to be approved is outlined by a heavy dashed line.
- (8) The parcel within the line of approval has an Extension of 0.
- (9) Parking spaces are in accordance with Section 11 (2) (c) of the Condominium Act.

CONDOMINIUM PROPERTY, 2001

Reserve Fund Study Report

The Condominium Property Act, 1993

[Section 51.4]

Form FF

1. Section 58.1 of *The Condominium Property Act, 1993* requires the corporation to conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the corporation.
2. The following is a report of the Wentworth at the Willows Condominium Corporation, reserve fund study, dated May 14, 2019, prepared by Jackie Thakore, B.Comm., AACI, P. App.
3. The qualifications of the person who conducted the reserve fund study are: B.Comm. Bachelor of Commerce, University of Saskatchewan, AACI Accredited Appraiser Canadian Institute, Appraisal Institute of Canada, P. App. Professional Appraiser, Appraisal Institute of Canada and the person holds liability insurance in a minimum amount of \$1,000,000 through TRISURA GUARANTEE INSURANCE COMPANY.
4. The study has been prepared on behalf of the corporation and the person who conducted the study and prepared this report is not (or is): an owner, employee or agent of the corporation; a property manager of or otherwise associated with the corporation; an owner, employee or agent of the developer; a property manager of or otherwise associated with the developer.
5. The repair, maintenance and replacement recommendations arising for the reserve fund study are:

The annual reserve fund assessment policy of the Board should be amended to provide for a total reserve fund contribution of \$33,748 per annum

6. The estimated expenditures from the reserve fund for the repair and replacement of common property are set out in the CASH FLOW TABLE. In this report, the term 'annual contribution' means the total amount to be contributed each year to the reserve fund. The recommended total annual contribution for 2019 (*set out the fiscal year following the year in which the study is completed, unless the contribution is to increase in the current year; then set out the current fiscal year.*) is \$33,748, based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund:	\$226,297.00
Minimum Reserve Fund Balance during the projected period:	\$189,237.28
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.25%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	2.50%

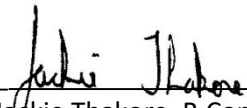
7. Cash Flow Table

Year (Show each of 25 consecutive years, beginning with the current fiscal year)	Opening Balance	Recommended Annual Contribution	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance
Please refer to Schedule B in body of the report						

8. The total annual contribution recommended for the current fiscal year is \$33,748. Which represents a 3.6% decrease in the amount contributed in the last fiscal year.
9. At the present time the average contribution per unit per month to the reserve fund is \$71.14. If the recommendations arising from the reserve fund study are followed, the average decrease in the contribution per unit per month will be \$2.54.
10. In my opinion the reserve fund should be adequate to offset the expenditures for the major repair and replacement of the components if the corporation makes contributions recommended as a result of this study.

October 21, 2019

Date


 Jackie Thakore, B.Comm., AACI, P. App.