WENTWORTH AT THE WILLOWS

CONDOMINIUM CORPORATION

RESERVE FUND CONTRIBUTION POLICY

The Board of Directors of Wentworth at the Willows retained Suncorp in June of 2019 to prepare a Reserve Fund Study Report (the Study), as required under The Condominium Property Act. As of December 31, 2020, the Reserve Fund stands at $238,822.22 which included a $30,000.00 contribution made to the Reserve Fund for 2020. The Board has also incurred expenditures in 2020 in the amount of $21,024.51 for Street Maintenance slurry coat and $23,381.28 for Fence Maintenance as recommended in the Study. For the purposes of this policy, the Board of Directors notes the following recommendations contained in the Study:

1. Annual contributions to the Reserve Fund should be in the amount of $33,748.
2. The Reserve fund investments should yield a return of 2.5%
3. The 25-Year Cash Flow Projection contained in the Study as "Schedule B – Recommendation".

The purpose of this policy is to set out the Board's agreement with the Study in those areas where it is possible and to set its own recommendations for the year 2020 and beyond. As such, this policy will provide direction as to how much contribution can be made to the Reserve Fund in any given year.

The Reserve Fund Policy is as follows:

1. To target a deposit of$35,000 into the Reserve Fund in 2020 or at least the amount stated in the Study and in years thereafter, until the Board of Directors decide otherwise.
   a. This assumes that there have been no major expenses in a given calendar year, other than the items identified in the Study.
   b. If contributions to the reserve funds as provided in the Study cannot be met based on existing condo fees, the Board will revisit the issue of increasing the condo fees.
2. To achieve a rate of return of 2.5% as recommended in the Study.
   a. To achieve this objective the Board decided to invest outside of RBC where the rate of return has been very low.
   b. An Investment Sub-Committee was created under the Treasurer which includes the Treasurer, the Secretary and one Board Member (Jim Newton). This sub-committee was tasked with identifying alternative investment sources. The

Investment Sub-Committee has the responsibility of making recommendations to the Board in terms of investment vehicles.

c. On June 22, 2020 the Board held a Zoom meeting with Investment Advisor Cam Andrusiak from Investment Alliance Securities Inc. Cam outlined a number of options including the Structured Notes that the Board elected to invest in based on the Investment Sub-Committee's recommendations.

3. To develop an accounting system to show interest and investment income as being attributable to the reserve fund; and track reserve fund expenditures separately from the regular Income and Expense statements. This was accomplished by the previous Treasurer, Rhonda McTavish in 2020.