

July 30, 2021

Ref. Stonehenge212(325).rfs/r-21

Wentworth Condominium Corporation No. 325
c/o Pocrnic Realty Advisors Inc.
34 Hess Street South
Ancaster, ON L8P 3N1

Attention: Ms. Tamara Standen

tstanden@pracommercial.com

**Re: Wentworth Condominium Corporation No. 325
212 Stonehenge Drive, Ancaster
Class 2 Reserve Fund Study Update Based on Site Inspection**

Please find enclosed our final summary Reserve Fund Study Update report Based on Site Inspection.

The Corporation's financial information is based on the Reserve Fund Information Questionnaire and Financial Statements submitted by Pocrnic Realty Advisors Inc. which can be found in Appendix A of this Report.

We understand from our review of the Ownership and Repair & Maintenance sections of the Corporation's declaration the building components that are to be maintained by the Corporation as part of this Study are summarized as follows and detailed in the "Repair/Replacement Information for Building Component Inventory" section of this report. This interpretation should be verified by the Corporation's solicitor.

Common Elements Included in Study
<ul style="list-style-type: none">• Exterior building elements including foundations, roofs, walls and windows.• Site finishes consisting of asphalt pavement, fencing, landscaping, etc.• Common mechanical equipment including storm and sanitary systems, etc.• Common electrical equipment including exterior lighting, etc.

The following components are understood to be the responsibility of the individual unit owners and are excluded from the Study.

Elements Excluded from Study
<ul style="list-style-type: none">• Interior mechanical equipment servicing one unit only.• Interior electrical equipment servicing one unit only.• Interior building elements including framing, finishes, etc.

Relevant sections of the Corporation's Declaration should be consulted for further information as considered necessary.

Financial Parameters:

Our cash flow analysis associated with the above replacement costs and timing recommendations is based on the following assumed financial values. We have obtained this information from the Reserve Fund Study Information Questionnaire and Financial Statements submitted by Pocrnic Realty Advisors Inc. (Please refer to the attached "Reserve Fund Study Concepts" for related definitions):

No. of Units:	11
Opening Balance (as of March 31, 2021):	\$112,943
Present Annual Reserve Contribution:	\$21,572
Present Average Reserve Contribution/unit/month:	\$ 163.42
Minimum Desired Reserve Fund Balance:	\$15,000
Long Term Interest Rate:	4.00%
Short Term Interest Rate:	2.50%
Inflation Rate:	2.00%
Post "Catch-up" Reserve Contribution % Increase:	2.00%

We have also generally accounted for the HST.

Financial Analysis:

Run 2 – 3-Year "Catch-up" Period:

This analysis calculates that if present contributions are increased above Inflation as shown below for 3 years, future anticipated expenditures should be met. Subsequent contributions need only be increased to match inflation.

3-Year "Catch-up" Period

• 2021/22 Contribution:	\$24,702
• Average Contribution/unit/month:	\$ 187.13
• Average Contribution Increase:	\$ 23.71
• Initial % Reserve Increase:	14.5%
• Subsequent % Reserve Increase:	14.5% (12.5% above Inflation)

While this alternative reduces initial contributions compared to an immediate catch-up, future requirement are dramatically increased because of reduced interest income that could be reinvested in the Fund, had contributions been raised higher earlier. Some interpretations of the Condominium Act allow for up to a 3-year catch up period, however in our experience this is not universally accepted within the industry. Related implications should be reviewed with the corporation's solicitor.

Notice of Future Funding of the Reserve Fund:

Please find enclosed a copy of the Notice of Future Funding of the Reserve Fund, which we have drafted for your input, based on our understanding this Study is being adopted as the current "Reserve Fund Plan," as defined by the Condominium Act, 1998.

This document requires some information to be completed by those with signing authority prior to forwarding to the unit owners and auditor. These relate primarily to timing and signatures and we have indicated related areas on the documents.

Thank you for the opportunity to be of service. Should you wish to review matters further, please contact us at 905-737-0111.

Yours truly,

BROWN & BEATTIE LTD.



Syed S. Salman, B.A.Sc., EIT



Tyler Brook, P.Eng.

Please note this report was based on a visual assessment of the accessible areas only. Unless noted specifically, no intrusive or destructive testing was completed during this assessment. Technical specifications should be prepared for any work decided upon as a result of this report. The material in this report reflects best judgement in light of the information available and does not imply fitness for a particular purpose and should not be considered a verification of past or present regulations. Brown & Beattie Ltd. cannot be held responsible for any deficiencies that may be found within inaccessible areas by others, which have not been documented in this report. Copies of this report are subject to authentication from the writer. Brown & Beattie Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report. Use of this report or any other aspect of our service is not authorized until and unless our account is paid in full and on time.

NOTICE OF FUTURE FUNDING OF THE RESERVE FUND
(UNDER SUBSECTION 94 (9) OF THE CONDOMINIUM ACT, 1998)

Condominium Act, 1998

TO: All owners in Wentworth Condominium Corporation No. 325

The Board has received and reviewed a Reserve Fund Study Update Based on Site Inspection (Class 2) dated July 30, 2021 prepared by Brown & Beattie Ltd. and has proposed a plan for the future funding of the reserve fund that the board has determined will ensure that, in accordance with the regulations made under the *Condominium Act, 1998*, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the corporation.

This notice contains:

1. A summary of the reserve fund study.
2. A summary of the proposed funding plan.
3. A statement indicating the areas, if any, in which the proposed funding plan differs from the reserve fund study.

At the present time the average contribution per unit per month to the reserve fund is \$163.42. Based on the proposed funding plan, the average increase in contribution per unit per month will be:

- \$ 23.71 for the 2021/22 fiscal year;
- \$ 27.15 for the 2022/23 fiscal year; and
- \$ 31.09 for the 2023/24 fiscal year.

The proposed funding plan will be implemented beginning on..... *(set out the date of a day that is more than 30 days after the day on which this notice is sent to the owners).*

Dated this day of,

Wentworth Condominium Corporation No. 325

.....
(signature)

.....
(print name)

.....
(signature)

.....
(print name)

(Affix corporate seal or add a statement that the persons signing have the authority to bind the corporation.)

**NOTICE OF FUTURE FUNDING OF THE RESERVE FUND
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- \$ 23.71 for the 2021/22 fiscal year;
- \$ 27.15 for the 2022/23 fiscal year; and
- \$ 31.09 for the 2023/24 fiscal year.

September 1, 2021

The proposed funding plan will be implemented beginning on..... (set out the date of a day that is more than 30 days after the day on which this notice is sent to the owners).

Dated this 30 day of July, 2021

Wentworth Condominium Corporation No. 325

[Signature]
.....
(signature)

Leroy K Gordon
.....
(print name)

[Signature]
.....
(signature)

A.S. Bote
.....
(print name)

(Affix corporate seal or add a statement that the persons signing have the authority to bind the corporation.)

212 Stonehenge Drive, Ancaster
Reserve Fund Study Update
Cash Flow Summary / Contribution Schedule / Funding Plan

# of Units: 11	Aug-21	Run: 3
Special Assessment: \$0		
Fiscal Year End: 31-Aug	Short Term (3 yr.) Interest: 2.50%	Assumed Inflation: 2.00%
	Long Term Interest: 4.00%	Initial Contribution Increase: 14.51%
Min. Balance: \$15,000		Subsequent Contribution Increase: 14.51%
Opening Balance: \$112,943	(as of Mar.31/21)	
Present Contribution: \$21,572	(avg/unit/month): \$163.42	

Fiscal Year Ending Aug. 31	Expected Costs	Interest	Contribution Schedule	Balance	Comments		
2021	-\$2,882	\$1,176	\$8,988	(avg/unit/month)	\$120,225	(% Increase)	(5 Months Remaining)
2022	-\$20,094	\$3,006	\$24,702	(\$187.13)	\$127,839	14.51%	Contribution Increase
2023	-\$8,531	\$3,196	\$28,286	(\$214.28)	\$150,789	14.51%	Contribution Increase
2024	-\$47,648	\$3,770	\$32,389	(\$245.37)	\$139,300	14.51%	Contribution Increase
2025	-\$25,112	\$5,572	\$33,037	(\$250.28)	\$152,797	2.00%	Increase to Match Inflation
2026	-\$39,968	\$6,112	\$33,698	(\$255.29)	\$152,639	2.00%	"
2027	-\$10,791	\$6,106	\$34,372	(\$260.39)	\$182,325	2.00%	"
2028	-\$5,973	\$7,293	\$35,059	(\$265.60)	\$218,704	2.00%	"
2029	-\$4,921	\$8,748	\$35,760	(\$270.91)	\$258,292	2.00%	"
2030	-\$16,014	\$10,332	\$36,476	(\$276.33)	\$289,085	2.00%	"
2031	-\$70,945	\$11,563	\$37,205	(\$281.86)	\$266,908	2.00%	"
2032	-\$14,547	\$10,676	\$37,949	(\$287.49)	\$300,986	2.00%	"
2033	-\$135,806	\$12,039	\$38,708	(\$293.24)	\$215,928	2.00%	"
2034	-\$143,849	\$8,637	\$39,482	(\$299.11)	\$120,199	2.00%	"
2035	-\$75,210	\$4,808	\$40,272	(\$305.09)	\$90,068	2.00%	"
2036	-\$10,632	\$3,603	\$41,078	(\$311.19)	\$124,116	2.00%	"
2037	-\$26,769	\$4,965	\$41,899	(\$317.42)	\$144,211	2.00%	"
2038	-\$19,183	\$5,768	\$42,737	(\$323.77)	\$173,533	2.00%	"
2039	-\$202,642	\$6,941	\$43,592	(\$330.24)	\$21,424	2.00%	1st Critical Year
2040	-\$14,859	\$857	\$43,119	(\$326.66)	\$50,540	-1.08%	Contribution Reduction
2041	\$0	\$2,022	\$43,981	(\$333.19)	\$96,543	2.00%	Increase to Match Inflation
2042	-\$20,310	\$3,862	\$44,861	(\$339.86)	\$124,956	2.00%	"
2043	-\$12,677	\$4,998	\$45,758	(\$346.65)	\$163,035	2.00%	"
2044	-\$91,776	\$6,521	\$46,673	(\$353.59)	\$124,455	2.00%	"
2045	-\$90,204	\$4,978	\$47,607	(\$360.66)	\$86,835	2.00%	"
2046	-\$104,507	\$3,473	\$48,559	(\$367.87)	\$34,361	2.00%	"
2047	-\$11,212	\$1,374	\$49,530	(\$375.23)	\$74,054	2.00%	"
2048	-\$62,984	\$2,962	\$50,521	(\$382.73)	\$64,553	2.00%	"
2049	-\$14,276	\$2,582	\$51,531	(\$390.39)	\$104,390	2.00%	"
2050	-\$28,769	\$4,176	\$52,562	(\$398.20)	\$132,359	2.00%	"
2051	-\$12,828	\$5,294	\$53,613	(\$406.16)	\$178,438	2.00%	"
2052	-\$36,397	\$7,138	\$54,685	(\$414.28)	\$203,863	2.00%	"
2053	-\$20,165	\$8,155	\$55,779	(\$422.57)	\$247,632	2.00%	"
2054	-\$223,748	\$9,905	\$56,895	(\$431.02)	\$90,685	2.00%	"
2055	-\$122,934	\$3,627	\$58,033	(\$439.64)	\$29,410	2.00%	2nd Critical Year
2056	-\$12,399	\$1,176	\$57,448	(\$435.21)	\$75,636	-1.01%	Contribution Reduction
2057	-\$19,546	\$3,025	\$58,597	(\$443.92)	\$117,712	2.00%	Increase to Match Inflation
2058	-\$36,828	\$4,708	\$59,769	(\$452.80)	\$145,362	2.00%	"
2059	-\$8,914	\$5,814	\$60,965	(\$461.85)	\$203,227	2.00%	"
2060	-\$38,749	\$8,129	\$62,184	(\$471.09)	\$234,791	2.00%	"
2061	-\$128,508	\$9,392	\$63,428	(\$480.51)	\$179,102	2.00%	"
2062	-\$26,351	\$7,164	\$64,696	(\$490.12)	\$224,612	2.00%	"
2063	-\$16,269	\$8,984	\$65,990	(\$499.92)	\$283,317	2.00%	"
2064	-\$93,025	\$11,333	\$67,310	(\$509.92)	\$268,935	2.00%	"
2065	-\$127,151	\$10,757	\$68,656	(\$520.12)	\$221,198	2.00%	"
2066	-\$92,395	\$8,848	\$70,029	(\$530.52)	\$207,680	2.00%	"
2067	-\$58,933	\$8,307	\$71,430	(\$541.13)	\$228,484	2.00%	"
2068	-\$256,678	\$9,139	\$72,858	(\$551.96)	\$53,804	2.00%	"
2069	-\$37,725	\$2,152	\$74,315	(\$563.00)	\$92,547	2.00%	"
2070	-\$132,468	\$3,702	\$75,802	(\$574.26)	\$39,582	2.00%	3rd Critical Year (End of Study)