
RESERVE FUND STUDY UPDATE

*Carleton Condominium
Corporations No. 667 and No. 769
Riverside Gate Shared Facilities*

Draft Report

OCSCC 667 & OCSCC 769, Shared Facilities
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Submitted by:

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1.0 INTRODUCTION

1.1 Terms of Reference

Buchan, Lawton, Parent Ltd. was retained to prepare a reserve fund study update for the common elements of Riverside Gate Shared Facilities. This report, detailing the findings, has been prepared for the Property Manager and Board of Directors of the Condominium.

1.2 Property Description

OCCSCC No. 667 and 769, commonly known as Rivergate Phase 1 and 2 respectively, are located at 3590 and 3580 (respectively) Rivergate Way in Ottawa, Ontario. The two buildings are 19 storey, 140 unit and 144 unit condominiums, built in 2003 and 2006.

A shared building, which houses the pool is common to both condominiums and was constructed in approximately 2003.

The Shared Facilities also consist of all hard and soft landscaping elements around both condominiums, including, but not limited to asphalt paving, concrete curbs and sidewalks, unit pavers, perimeter fencing grass, plants and trees, tennis court area, and the gate house. The common building for the pool is linked to both condominiums. The mechanical equipment for the pool is located on level P1 below the pool.

1.3 Report Description

Section 4.0 of this report explains the modifications made to the cost and timing assumptions made in the original Comprehensive Report. Where applicable, an explanation of these changes has also been included.

Cost tables are presented in Section 5.0, Cost Estimating.

The reserve fund portion of the study is presented in Section 6.0, Reserve Fund Analysis. Two scenarios are presented for the funding of the reserve fund.

Conclusions are given in the Section 7.0 of the report.

There is no Notice of Future Funding of the Reserve Fund. The funding requirements are included in each Condominium's own Notice of Future Funding of the Reserve Fund.

2.0 STUDY OBJECTIVES

The purpose of the reserve fund study is to establish recommended funding plans for the major repair or replacement of common elements of the Condominium over the next 30 years.

The steps required to undertake a reserve fund study update include:

1. Review of available documentation including the existing reserve fund study, building drawings and construction specifications, descriptions/details of remedial work carried out, reserve fund financial information;
2. Conduct a brief site visit to evaluate changes that have occurred to the common elements since the previous reserve fund study, including changes in the anticipated rates of deterioration, capital projects completed, etc.;
3. Modify major capital expenditures and timing over the next 30 year period, based on quantities, costing data, life cycles and current conditions where necessary, or as directed by the Board of Directors; and,

Present the reserve fund financial analyses.

2.1 Assumptions and Limitations

The accuracy of the discussions and conclusions contained in the study is limited to the extent of information available at the time of the study. The assessment of the condition of the common elements is based upon visual inspections. No destructive testing or performance monitoring was conducted.

Accordingly, the professional opinions expressed herein are subjective. Projections of building component life expectancies assume that the owners will perform good and timely periodic maintenance. The study does not make allowances for the effects of rare events, such as flooding, lightning, fire, explosions, etc.

It is assumed that the expected standards of performance and appearance correspond with current norms and that housing industry averages and manufacturers' published data on component life expectancies apply to this property.

3.0 BACKGROUND INFORMATION

3.1 Building Documents

Buchan, Lawton, Parent Ltd was provided with the following information for Riverside Gate Shared Facilities.

Drawings

Site Services:

S1, J.L. Richards & Associates Limited, As Recorded Information Added, dated August 18, 2003.

Landscape:

L1-L3, Urbandale Corporation Limited, dated January 9, 2008, As-builts.

Architectural:

A1-A31, Urbandale Corporation Limited, Various revisions and issues, various dates.

Electrical:

E1-E15, Goodkey Weedmark & Associates Limited, Issued for As-Built, dated June 20, 2004.

Mechanical:

M0.1-M0.3, M1.1-M1.5, M2.1, M2.2, M2.4, M2.11, M2.12, Goodkey Weedmark & Associated, Issued as Red Line Drawings, dated October 19, 2001.

M2.3, M2.5-M2.10, M2.13, Goodkey Weedmark & Associated, Issued for As-Built, dated, dated October 19, 2001.

Fire Protection:

SP1-SP3, Ottawa Sprinkler, Issued for As-Built, dated October 23, 2003.

Audited Financial Statements

Audited financial statements, dated December 31, 2012.

Audited financial statements, dated December 31, 2013.

Audited financial statements, dated December 31, 2014.

Previous Reserve Fund Studies

Reserve Fund Study Final Report prepared by Buchan, Lawton, Parent Ltd dated October 24, 2012.

3.2 Site Review

The brief site review entailed the visual observation of the condition of common elements.

The following Buchan, Lawton, Parent Ltd personnel carried out site reviews on July 14, 2015:

- Ms. Kathryn Buchan, B.A.Sc.
- Mr. Eli Marshall, M.A.Sc.

Discussions with the Property Manager provided important information on the building's history, problems encountered, and the remedial measures carried out. The assessment and inclusion of historical items is limited to the information provided to us.

4.0 COST / TIMING UPDATES

The following subsections of the report discuss the various major updates made to the cost and/or timing estimates presented in the previous Comprehensive Reserve Fund Study. There have been several small adjustments, re-allocations, and costs changes, however, not all of which are discussed in the body of the report.

4.1 Steel Bike Racks

Replacement or repair of the steel bike racks was allocated to the previous study for year 2013. As it doesn't appear that repairs were made, and the property manager did not note it, hence a cost has been carried in 2016 to complete the work.

4.2 Irrigation System

Cost to replace the irrigation controls and sensors had not previously been carried in the reserve fund study. At the request of the property manager, a cost for replacement of the controls and sensors has been carried in 2016.

4.3 Tennis Court Elements

It was noted by the property manager that the court area and the court lines were repainted in 2014. Repainting of the area surrounding the courts has yet to be completed. The property manager noted that that painting was planned for 2017. An amount of \$8,000 is allocated to complete the remaining work.

4.4 Pool Liner

The contingency to sandblast and refinish pool has been changed to a cost to replace the pool liner. A new pool liner was installed in 2015. The cost to install the new pool liner has been carried for future replacement costs, and a life cycle of 15 years has been assigned. As the financials provided represent the reserve fund prior to the pool liner being installed, the cost has also been carried in 2015.

5.0 COST ESTIMATING

Estimates of the costs for reserve fund items in the following tables are based on current 2015 dollars for the project elements outlined. The costs represent values for labour and material. The tables are linked to the reserve fund analysis spreadsheets presented in Section 6.0.

It has been assumed that materials used in the construction of the building will be replaced with materials of equivalent quality, unless stated otherwise.

The life spans and estimated repair/replacement costs of particular materials in the project are estimated based primarily on Buchan, Lawton, Parent Ltd's experience and judgement, which has been developed through many years in the field of building science. The firm routinely monitors the quantity survey costing for the industry, published regularly by Means in their *Building Construction Costs Data* series and by Hanscomb in their *Yardsticks for Costing*. In addition, the firm works closely with contractors on numerous building projects that give an insight into actual project costs.

5.1 Estimated Costs, First Ten Years

ITEM	Estimated Costs \$2015									
	2015 year 1	2016 year 2	2017 year 3	2018 year 4	2019 year 5	2020 year 6	2021 year 7	2022 year 8	2023 year 9	2024 year 10
SITE WORK										
Concrete and Masonry Items										
Contingency to Repair Masonry Fence Columns and Decorative Wall	0	0	0	7600	0	0	0	0	0	0
Metal and Wood Items										
Contingency to Repair/Replace Galvanized Steel Bike Racks	0	1100	0	0	0	0	0	0	0	0
Soft Landscaping										
Replace Irrigation Controls and Sensors	0	40000	0	0	0	0	0	0	0	0
Amenities										
Contingency to Repair/Replace Tennis Court Elements	0	0	8000	0	0	0	0	0	0	0
Gate House										
Contingency to Repair/Replace Gate House Elements	0	0	10000	0	0	0	10000	0	0	0
STRUCTURE										
Building										
Install New/Replace Pool Liner	60000	0	0	0	0	0	0	0	0	0
BUILDING ENVELOPE										
Sealants										
Replace Sealants	0	0	0	0	0	0	0	0	2200	0
MECHANICAL										
Site Services										
Contingency to Reset Catch Basins and Manholes	0	0	0	7600	0	0	0	0	7600	0
Domestic Water and Building Drainage System										
Contingency to Repair Domestic Water System	0	0	0	8100	0	0	0	0	0	0
Contingency to Repair Building Drainage System	0	0	0	8100	0	0	0	0	0	0
Pool Equipment										
Contingency to Repair/Replace Pool Equipment	0	8100	0	0	0	0	8100	0	0	0
FIRE/LIFE SAFETY SYSTEMS										
Fire Detection/Suppression										
Contingency to Replace Fire Detection and Suppression Elements	2200	0	0	0	0	0	0	0	0	0
Contingency to Replace Exit Light Fixtures and Emergency Lights	1100	0	0	0	0	0	0	0	0	0
INTERIORS										
Walls & Ceilings										
Contingency to Prepare and Paint Pool and Service Rooms	0	0	0	11000	0	0	0	0	0	0
RESERVE FUND STUDIES										
Reserve Fund Study Comprehensive Update	0	0	0	4800	0	0	0	0	0	4800
Reserve Fund Study Update	2800	0	0	0	0	0	2800	0	0	0
TOTALS	\$66,100	\$49,200	\$18,000	\$47,200	\$0	\$0	\$20,900	\$0	\$59,200	\$4,800

5.2 Estimated Costs, 30 Years

ITEM	Estimated Costs \$2015					
	2015-2019 years 1-5	2020-2024 years 6-10	2025-2029 years 11-15	2030-2034 years 16-20	2035-2039 years 21-25	2040-2044 years 26-30
SITE WORK						
Asphalt Items						
Resurface Asphalt Roadways and Parking	0	0	143000	0	0	0
Resurface Asphalt Pathway	0	0	10000	0	0	0
Concrete and Masonry Items						
Repair Concrete Curbs	0	0	28000	0	0	0
Replace Unit Pavers	0	0	8700	0	0	0
Replace Masonry Retaining Wall	0	0	0	0	37000	0
Contingency to Repair Masonry Fence Columns and Decorative Wall	7600	0	0	7600	0	0
Metal and Wood Items						
Soft Landscaping						
Replace Irrigation Controls and Sensors	40000	0	0	0	40000	0
Contingency for Soft Landscaping Repairs	0	0	0	0	0	0
Amenities						
Contingency to Repair/Replace Tennis Court Elements	8000	0	13000	0	13000	0
Contingency to Repair/Replace Exterior Furniture	0	0	0	0	0	0
Gate House						
Contingency to Repair/Replace Gate House Elements	10000	10000	20000	10000	10000	10000
STRUCTURE						
Building						
Contingency to Repair Structure	0	0	0	0	0	2700
Contingency to Repair Concrete Pool Structure	0	0	0	2200	0	0
Install New/Replace Pool Liner	60000	0	0	60000	0	0
BUILDING ENVELOPE						
Cladding						
Contingency to Repair Brick Veneer	0	0	0	5400	0	5400
Exterior Doors						
Replace Exterior Door	0	0	0	2200	0	0
Windows						
Replace Windows	0	0	0	22000	0	0
Sealants						
Replace Sealants	0	2200	0	0	0	2200
Roofing						
Replace Main Roof	0	0	81000	0	0	0
Replace Lower Roof	0	0	17000	0	0	0
MECHANICAL						
Site Services						
Contingency to Reset Catch Basins and Manholes	7600	7600	0	7600	7600	7600
Domestic Water and Building Drainage System						
Contingency to Repair Domestic Water System	8100	0	0	8100	0	0
Contingency to Repair Building Drainage System	8100	0	0	8100	0	0
Replace Hot Water Tank	0	0	600	0	0	0
Pool Equipment						
Contingency to Repair/Replace Pool Equipment	8100	8100	8100	8100	8100	8100
Replace Dry-O-Tron	0	44000	0	0	0	44000
ELECTRICAL						
Lighting						
Contingency to Replace Pool Area Halogen Fixtures	0	5400	0	5000	5000	10400
Contingency to Replace Service Area Fixtures	0	0	0	1100	0	0
Replace Exterior Light Fixtures	0	0	0	8700	0	0
FIRE/LIFE SAFETY SYSTEMS						
Fire Detection/Suppression						
Contingency to Replace Fire Detection and Suppression Elements	2200	0	2200	0	2200	0
Contingency to Replace Exit Light Fixtures and Emergency Lights	1100	0	1100	0	1100	0
INTERIORS						
Floors						
Replace Ceramic Tile	0	0	0	27000	0	0
Walls & Ceilings						
Contingency to Prepare and Paint Pool and Service Rooms	11000	0	0	11000	0	0
RESERVE FUND STUDIES						
Reserve Fund Study Comprehensive Update	4800	4800	0	4800	4800	4800
Reserve Fund Study Update	2800	2800	2800	2800	2800	0
TOTALS	\$180,500	\$84,900	\$336,600	\$201,700	\$132,700	\$95,200

6.0 RESERVE FUND ANALYSIS

The reserve fund balance calculations are presented in this section. The total costs identified from the cost estimating sheets in Section 5.0 have been allocated to each year over a 30-year time horizon. In each individual year, the 2015-dollar costs are inflated to an assumed inflation rate. The calculated fund balance each year is the previous year's balance plus the contribution shown in that year, minus the replacement costs shown in that year, plus or minus any interest on the previous fund value.

The reserve fund spreadsheet includes a discounted fund value. This amount represents the fund value in 2015 dollars.

Scenario 1, shown in Section 6.1, is intended to reflect the long-term performance of the fund using the proposed funding plan is followed:

- April 30, 2015 reserve fund balance: \$120,869
- Year 2 reserve fund contribution: \$32,307
- Annual contribution increase rate, Years 2-30: 2.5%
- Interest on monies retained in the reserve fund years 1-3: 0.5%
- Interest on monies retained in the reserve fund years 4-30: 3.5%
- Interest on borrowed money (if necessary): 7.0%
- Inflation index: 2.5%

Using these assumptions, the fund's projected balance falls into deficit in year 2029 and recovers in year 2043.

A second scenario was produced to illustrate the minimum requirements necessary to maintain the reserve fund balance above a deficit position for the duration of the study. Scenario 2, presented in Section 6.2, was prepared as per the above scenario except:

- Year 2 Contribution: \$36,000

6.1a Scenario 1, Reserve Fund Cash Flow, Table

FISCAL YEAR	30-Apr-15	2015	2016	2017	2018	2019	2020	2021
Year	0	1	2	3	4	5	6	7
CONTRIBUTION		21,013	32,307	33,115	33,943	34,791	35,661	36,552
TOTAL ITEM COSTS \$2015		66,100	49,200	18,000	47,200	0	16,980	16,980
INFLATED COSTS		66,100	50,430	18,911	50,829	0	19,211	19,692
INTEREST ON FUND		604	382	293	2,560	2,059	3,348	4,041
FUND VALUE (fiscal year end)	120,869	76,386	58,645	73,142	58,815	95,664	115,462	136,364
DISCOUNTED FUND VALUE	120,869	74,523	55,819	67,919	53,283	84,553	99,563	114,719

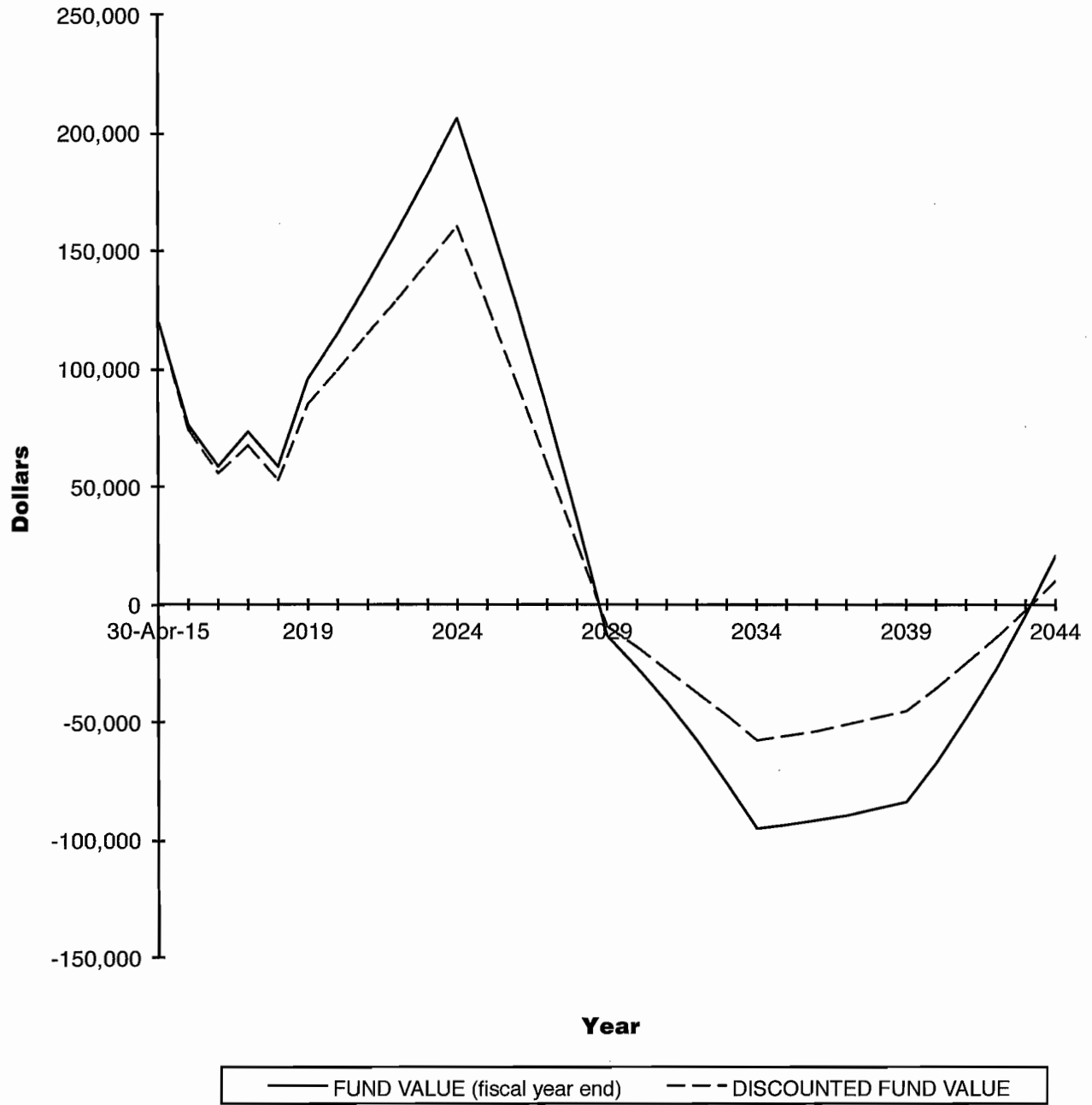
FISCAL YEAR	2022	2023	2024	2025	2026	2027	2028	2029
Year	8	9	10	11	12	13	14	15
CONTRIBUTION	37,466	38,403	39,363	40,347	41,356	42,390	43,449	44,536
TOTAL ITEM COSTS \$2015	16,980	16,980	16,980	67,320	67,320	67,320	67,320	67,320
INFLATED COSTS	20,184	20,688	21,206	86,175	88,330	90,538	92,801	95,121
INTEREST ON FUND	4,773	5,545	6,359	7,217	5,865	4,427	2,896	1,270
FUND VALUE (fiscal year end)	158,419	181,678	206,194	167,583	126,474	82,753	36,297	-13,018
DISCOUNTED FUND VALUE	130,022	145,475	161,079	127,722	94,041	60,030	25,688	-8,989

FISCAL YEAR	2030	2031	2032	2033	2034	2035	2036	2037
Year	16	17	18	19	20	21	22	23
CONTRIBUTION	45,649	46,790	47,960	49,159	50,388	51,648	52,939	54,262
TOTAL ITEM COSTS \$2015	40,340	40,340	40,340	40,340	40,340	26,540	26,540	26,540
INFLATED COSTS	58,424	59,885	61,382	62,917	64,490	43,489	44,576	45,691
INTEREST ON FUND	-911	-1,869	-2,917	-4,061	-5,308	-6,667	-6,562	-6,436
FUND VALUE (fiscal year end)	-26,705	-41,669	-58,008	-75,827	-95,236	-93,744	-91,943	-89,808
DISCOUNTED FUND VALUE	-17,989	-27,385	-37,193	-47,432	-58,120	-55,814	-53,407	-50,894

FISCAL YEAR	2038	2039	2040	2041	2042	2043	2044
Year	24	25	26	27	28	29	30
CONTRIBUTION	55,619	57,009	58,435	59,895	61,393	62,928	64,501
TOTAL ITEM COSTS \$2015	26,540	26,540	19,040	19,040	19,040	19,040	19,040
INFLATED COSTS	46,833	48,004	35,299	36,182	37,086	38,013	38,964
INTEREST ON FUND	-6,287	-6,112	-5,909	-4,703	-3,372	-1,907	-296
FUND VALUE (fiscal year end)	-87,308	-84,414	-67,188	-48,177	-27,243	-4,235	21,005
DISCOUNTED FUND VALUE	-48,271	-45,532	-35,356	-24,734	-13,645	-2,070	10,014

ASSUMPTIONS:		year 1-3	year 4-20	year 21-30	
Opening Fund Balance	\$120,869	Fund Interest -	0.5%	3.5%	3.5%
Remaining Year 1 Contributor	\$21,012.67	Cost Inflation Index -	2.5%	2.5%	2.5%
Total Year 1 Contribution	\$31,519	Borrowing Cost Interest -	7.0%	7.0%	7.0%
Year 2 Contribution	\$32,307	Contribution Increase -	2.5%	2.5%	2.5%

6.1b Scenario 1, Reserve Fund Cash Flow, Graph



6.2a Scenario 2, Reserve Fund Cash Flow, Table

FISCAL YEAR	30-Apr-15	2015	2016	2017	2018	2019	2020	2021
Year	0	1	2	3	4	5	6	7
CONTRIBUTION		21,013	36,000	36,900	37,823	38,768	39,737	40,731
TOTAL ITEM COSTS \$2015		66,100	49,200	18,000	47,200	0	16,980	16,980
INFLATED COSTS		66,100	50,430	18,911	50,829	0	19,211	19,692
INTEREST ON FUND		604	382	312	2,822	2,466	3,909	4,764
FUND VALUE (fiscal year end)	120,869	76,386	62,338	80,638	70,454	111,688	136,123	161,926
DISCOUNTED FUND VALUE	120,869	74,523	59,334	74,881	63,828	98,716	117,378	136,223

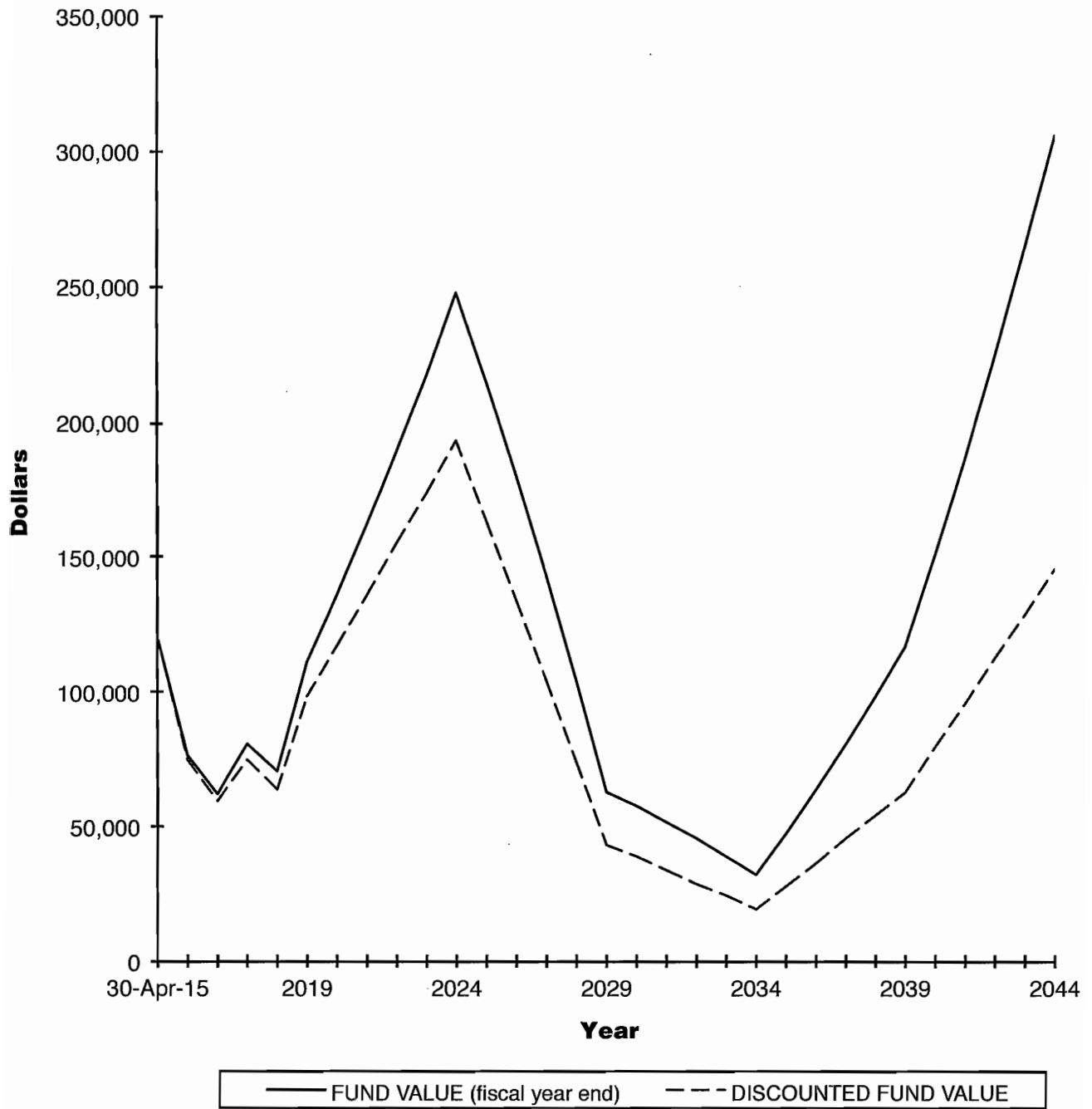
FISCAL YEAR	2022	2023	2024	2025	2026	2027	2028	2029
Year	8	9	10	11	12	13	14	15
CONTRIBUTION	41,749	42,793	43,863	44,959	46,083	47,235	48,416	49,626
TOTAL ITEM COSTS \$2015	16,980	16,980	16,980	67,320	67,320	67,320	67,320	67,320
INFLATED COSTS	20,184	20,688	21,206	86,175	88,330	90,538	92,801	95,121
INTEREST ON FUND	5,667	6,621	7,626	8,686	7,547	6,333	5,039	3,662
FUND VALUE (fiscal year end)	189,159	217,884	248,166	215,636	180,937	143,967	104,620	62,787
DISCOUNTED FUND VALUE	155,251	174,466	193,867	164,346	134,536	104,436	74,042	43,352

FISCAL YEAR	2030	2031	2032	2033	2034	2035	2036	2037
Year	16	17	18	19	20	21	22	23
CONTRIBUTION	50,867	52,139	53,442	54,778	56,148	57,551	58,990	60,465
TOTAL ITEM COSTS \$2015	40,340	40,340	40,340	40,340	40,340	26,540	26,540	26,540
INFLATED COSTS	58,424	59,885	61,382	62,917	64,490	43,489	44,576	45,691
INTEREST ON FUND	2,198	2,010	1,809	1,595	1,366	1,121	1,653	2,215
FUND VALUE (fiscal year end)	57,427	51,691	45,560	39,016	32,040	47,224	63,291	80,280
DISCOUNTED FUND VALUE	38,684	33,971	29,212	24,406	19,553	28,116	36,763	45,495

FISCAL YEAR	2038	2039	2040	2041	2042	2043	2044
Year	24	25	26	27	28	29	30
CONTRIBUTION	61,977	63,526	65,114	66,742	68,411	70,121	71,874
TOTAL ITEM COSTS \$2015	26,540	26,540	19,040	19,040	19,040	19,040	19,040
INFLATED COSTS	46,833	48,004	35,299	36,182	37,086	38,013	38,964
INTEREST ON FUND	2,810	3,438	4,102	5,289	6,544	7,869	9,268
FUND VALUE (fiscal year end)	98,234	117,195	151,112	186,961	224,829	264,805	306,984
DISCOUNTED FUND VALUE	54,311	63,214	79,520	95,986	112,612	129,400	146,352

ASSUMPTIONS:		year 1-3	year 4-20	year 21-30
Opening Fund Balance	\$120,869	Fund Interest -	0.5%	3.5%
Remaining Year 1 Contribution	\$21,012.67	Cost Inflation Index -	2.5%	2.5%
Total Year 1 Contribution	\$31,519	Borrowing Cost Interest -	7.0%	7.0%
Year 2 Contribution	\$36,000	Contribution Increase -	2.5%	2.5%

6.2b Scenario 2, Reserve Fund Cash Flow, Graph



7.0 CONCLUSIONS AND RECOMMENDATIONS

Common element items requiring major repair or replacement in the short term are tabulated in the First Ten Years cost worksheet (Section 5.1).

Two scenarios are presented in this study, the first using assumptions to model the current operation of the reserve fund. Based on the findings and assumptions herein, the Condominium's current plan does not provide sufficient funds to meet the projected capital costs over the next 30 years. Scenario 2, with a Year 2 annual contribution increased to \$36,000 provides a plan to sustain the reserve fund over the term of this study.

The installation of a new pool liner and its future repair and replacement and the inclusion of the irrigation system replacement, there is a fundamental requirement for addition funds.

The reserve fund study must be updated every three (3) years as per the Condominium Act in order to update it based on how the elements are aging, actual costs incurred since the previous study and to account for current raw materials and construction industry costs.

NOTICE OF FUTURE FUNDING OF THE RESERVE FUND
(under subsection 94(9) of the *Condominium Act, 1998*)

Condominium Act, 1998

TO: All owners in Carleton Condominium Corporation NO. 667 & 769

The board has received and reviewed a Reserve Fund Study Update dated December 3, 2015 prepared by Buchan, Lawton, Parent 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 \$163.71. Based on the proposed funding plan, total average contribution per unit per month for the first three years will be \$9.12, \$10.42, and \$10.68 (which is an average increase in contribution per unit per month of \$0.00, \$1.30, and \$0.26 for the first three years).

The proposed funding plan will be implemented beginning on _____.

Dated this _____ day of _____.

Carleton Condominium Corporation NO. 667 & 769 and 769

(signature)

(print name)

(signature)

(print name)

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

SUMMARY OF RESERVE FUND STUDY

The following is a summary of the Reserve Fund Study Update December 3, 2015, prepared by Buchan, Lawton, Parent Ltd for Carleton Condominium Corporation NO. 667 & 769 & 769 (known as the Reserve Fund Study).

Subsection 94(1) of the *Condominium Act, 1998*, 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. As a result, the corporation has obtained the Reserve Fund Study.

The estimated expenditures from the reserve fund for the next thirty (30) years are set out in the CASH FLOW TABLE. In this summary, the term "annual contribution" means the total amount to be contributed each year to the reserve fund, exclusive of interest earned on the reserve fund. The recommended annual contribution for first year is \$31,519, based on the estimated expenditures and the following:

Estimated Reserve Fund Opening Balance (April 30, 2015)	\$120,869.00
Minimum Reserve Fund Balance (as indicated in this table):	\$32,039.99
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.5%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	0.5%

The Reserve Fund Study can be examined upon written notice to the corporation's property manager at:

Condominium Management Group
335 Catherine Street, Suite 200
Ottawa, Ontario K1R 5T4
Telephone: 613-237-9514

Upon receipt of written notice, reasonable arrangements will be made for the examination of the Reserve Fund Study and/or provision of a copy of the study (at the cost of the recipient).

CASH FLOW TABLE
(Future Dollars)

Year	Opening Balance (Future Dollars)	Recommended Annual Contribution	Annual Contribution Alread Allocated as of April 30, 2015	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance (Future Dollars)
2015	\$120,869	\$31,519	-\$21,013	\$66,100	\$604	2.0%	\$76,386
2016	\$76,386	\$36,000	--	\$50,430	\$382	114.2%	\$62,338
2017	\$62,338	\$36,900	--	\$18,911	\$312	2.5%	\$80,638
2018	\$80,638	\$37,823	--	\$50,829	\$2,822	2.5%	\$70,454
2019	\$70,454	\$38,768	--	\$0	\$2,466	2.5%	\$111,688
2020	\$111,688	\$39,737	--	\$19,211	\$3,909	2.5%	\$136,123
2021	\$136,123	\$40,731	--	\$19,692	\$4,764	2.5%	\$161,926
2022	\$161,926	\$41,749	--	\$20,184	\$5,667	2.5%	\$189,159
2023	\$189,159	\$42,793	--	\$20,688	\$6,621	2.5%	\$217,884
2024	\$217,884	\$43,863	--	\$21,206	\$7,626	2.5%	\$248,166
2025	\$248,166	\$44,959	--	\$86,175	\$8,686	2.5%	\$215,636
2026	\$215,636	\$46,083	--	\$88,330	\$7,547	2.5%	\$180,937
2027	\$180,937	\$47,235	--	\$90,538	\$6,333	2.5%	\$143,967
2028	\$143,967	\$48,416	--	\$92,801	\$5,039	2.5%	\$104,620
2029	\$104,620	\$49,626	--	\$95,121	\$3,662	2.5%	\$62,787
2030	\$62,787	\$50,867	--	\$58,424	\$2,198	2.5%	\$57,427
2031	\$57,427	\$52,139	--	\$59,885	\$2,010	2.5%	\$51,691
2032	\$51,691	\$53,442	--	\$61,382	\$1,809	2.5%	\$45,560
2033	\$45,560	\$54,778	--	\$62,917	\$1,595	2.5%	\$39,016
2034	\$39,016	\$56,148	--	\$64,490	\$1,366	2.5%	\$32,040
2035	\$32,040	\$57,551	--	\$43,489	\$1,121	2.5%	\$47,224
2036	\$47,224	\$58,990	--	\$44,576	\$1,653	2.5%	\$63,291
2037	\$63,291	\$60,465	--	\$45,691	\$2,215	2.5%	\$80,280
2038	\$80,280	\$61,977	--	\$46,833	\$2,810	2.5%	\$98,234
2039	\$98,234	\$63,526	--	\$48,004	\$3,438	2.5%	\$117,195
2040	\$117,195	\$65,114	--	\$35,299	\$4,102	2.5%	\$151,112
2041	\$151,112	\$66,742	--	\$36,182	\$5,289	2.5%	\$186,961
2042	\$186,961	\$68,411	--	\$37,086	\$6,544	2.5%	\$224,829
2043	\$224,829	\$70,121	--	\$38,013	\$7,869	2.5%	\$264,805
2044	\$264,805	\$71,874	--	\$38,964	\$9,268	2.5%	\$306,984

**SUMMARY OF PROPOSED PLAN FOR
FUTURE FUNDING OF THE RESERVE FUND**

The following is a summary of the board's proposed plan for the future funding of the reserve fund.

The Board of Carleton Condominium Corporation NO. 667 & 769 & 769 have reviewed the Reserve Fund Study Update dated December 3, 2015, prepared by Buchan, Lawton, Parent Ltd for the corporation (known as the "Reserve Fund Study") 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.

The Board has adopted the funding recommendations of the Reserve Fund Study and will implement them as set out in the Contribution Table.

The total annual contribution recommended under the proposed funding plan for the current fiscal year is \$31,519, which is the same amount that has already been budgeted.

CONTRIBUTION TABLE

*the term "annual contribution" means the amount to be contributed each year to the reserve fund from the monthly common expenses.

Year	A Annual Contribution	% Increase Over Previous Year	B Other Contribution (e.g. special assessment, loan)	A + B Total Contribution Each Year to Reserve Fund
2015	\$31,519	2.0%		\$31,519
2016	\$36,000	114.2%		\$36,000
2017	\$36,900	2.5%		\$36,900
2018	\$37,823	2.5%		\$37,823
2019	\$38,768	2.5%		\$38,768
2020	\$39,737	2.5%		\$39,737
2021	\$40,731	2.5%		\$40,731
2022	\$41,749	2.5%		\$41,749
2023	\$42,793	2.5%		\$42,793
2024	\$43,863	2.5%		\$43,863
2025	\$44,959	2.5%		\$44,959
2026	\$46,083	2.5%		\$46,083
2027	\$47,235	2.5%		\$47,235
2028	\$48,416	2.5%		\$48,416
2029	\$49,626	2.5%		\$49,626
2030	\$50,867	2.5%		\$50,867
2031	\$52,139	2.5%		\$52,139
2032	\$53,442	2.5%		\$53,442
2033	\$54,778	2.5%		\$54,778
2034	\$56,148	2.5%		\$56,148
2035	\$57,551	2.5%		\$57,551
2036	\$58,990	2.5%		\$58,990
2037	\$60,465	2.5%		\$60,465
2038	\$61,977	2.5%		\$61,977
2039	\$63,526	2.5%		\$63,526
2040	\$65,114	2.5%		\$65,114
2041	\$66,742	2.5%		\$66,742
2042	\$68,411	2.5%		\$68,411
2043	\$70,121	2.5%		\$70,121
2044	\$71,874	2.5%		\$71,874

DIFFERENCES BETWEEN THE RESERVE FUND STUDY AND THE PROPOSED PLAN FOR FUTURE FUNDING OF THE RESERVE FUND

The Plan for Future Funding of the Reserve Fund proposed by the Board differs from the Reserve Fund Study in the following respects:

- No differences