

**Developer, interim board reserve fund plan**

**21.2** A developer or interim board that arranges for a reserve fund study before a board is elected under section 29 of the Act shall ensure that the reserve fund study is carried out by a reserve fund study provider who is at arm's length from the developer or every member of the interim board, as the case may be.

AR 154/2019 s14

**Corporation as reserve fund study provider**

**22** Notwithstanding section 21(2), if a condominium plan consists of not more than 12 units, the corporation may, in respect of that condominium plan, carry out the functions of a reserve fund study provider if authorized to do so by a special resolution.

AR 168/2000 s22;154/2019

**Reserve fund study, report and plan**

**23(1)** The corporation must retain a reserve fund study provider to carry out a study of the depreciating property for the purposes of determining the following:

- (a) an inventory of all of the depreciating property that, under the circumstances under which that property will be or is normally used, may need to be repaired or replaced within the next 30 years or a time period longer than 30 years;
- (b) the present condition or state of repair of the depreciating property and an estimate as to when each component of the depreciating property will need to be repaired or replaced;
- (c) the estimated costs of repairs to or replacement of the depreciating property using as a basis for that estimate costs that are not less than the costs existing at the time that the reserve fund report is prepared;
- (d) the life expectancy of each component of the depreciating property once that property has been repaired or replaced.

**(2)** In carrying out the reserve fund study under subsection (1), the reserve fund study provider must also do the following:

- (a) determine the current amount of funds, if any, included in the corporation's reserve fund;
- (a.1) conduct an on-site visual inspection of all visible components of the depreciating property;
- (a.2) interview the members of the board;

- (a.3) interview, to the extent the reserve fund study provider considers necessary, the condominium manager or managers for the corporation, if any, any employees of the corporation or condominium manager, or any other person;
- (a.4) review relevant documents, including the condominium plan, the converted property study or building assessment report, if applicable, construction documents and maintenance records;
- (b) recommend the amount of funds, if any, that should be included in or added to the corporation's reserve fund in order to provide the necessary funds to establish and maintain or to maintain, as the case may be, a reserve fund for the purposes of section 38 of the Act;
- (c) describe the basis for determining
  - (i) the amount of the funds under clause (a), and
  - (ii) the amount in respect of which the recommendation was made under clause (b).

**(3)** After the reserve fund study under this section is completed, the reserve fund study provider must prepare and submit to the board a reserve fund report in writing in respect of the study setting out the following:

- (a) the qualifications of that person to carry out the reserve fund study and prepare the report;
- (b) a signed statement that the person is a reserve fund study provider and no grounds of disqualification under section 21.1 or 21.2 apply;
- (c) the findings of the reserve fund study in respect of the matters referred to in subsections (1) and (2);
- (d) any other matters that the person considers relevant.

**(4)** On receiving the reserve fund report under subsection (3), the board must, after reviewing the reserve fund report, approve a reserve fund plan

- (a) under which a reserve fund is to be established, if one has not already been established, and
- (b) setting forth the method of and amounts needed for funding and maintaining the reserve fund.

(5) A reserve fund plan approved under subsection (4) must provide that, based on the reserve fund report, sufficient funds will be available by means of owners' contributions, or any other method that is reasonable in the circumstances, to repair or replace, as the case may be, the depreciating property in accordance with the reserve fund report.

(6) Notwithstanding that a reserve fund plan has been approved under subsection (4), the corporation must provide to the owners for the owners' information copies of that approved reserve fund plan prior to the collection of any funds for the purposes of those matters dealt with in the reserve fund report on which the approved reserve fund plan was based and that are to be carried out pursuant that report.

(7) Until such time that a corporation has approved a reserve fund plan under subsection (4) and has met the requirement under subsection (6) so as to be eligible to collect funds in respect of the reserve fund, the corporation may, notwithstanding subsection (6), collect or otherwise receive funds for a fund that is similar in nature to a reserve fund and may make expenditures from and generally continue to operate that fund.

AR 168/2000 s23;108/2004;181/2017;154/2019;138/2021

**When reserve fund study, report and plan must be prepared**

**24** The corporation must meet the requirements of section 23(1) to (6) no later than 2 years after the date on which the condominium plan is registered.

AR 168/2000 s24;181/2017

**Exemption from reserve fund study, report and plan re rental units**

**25** The corporation is exempted from retaining a reserve fund study provider to prepare a reserve fund study and from establishing or maintaining a reserve fund if

- (a) the certificate of title to each of the units included in a condominium plan is registered in the name of the same owner or the same group of owners, and
- (b) those units are rented or offered for rent to persons as tenants who are not purchasers and are not intended to be purchasers.

AR 168/2000 s25;181/2017;154/2019

**When study, report and plan must be prepared re conversions, etc.**

**26(1)** Notwithstanding sections 24 and 25, if the owner