

## Notice of Future Funding of the Reserve Fund

(under subsection 94 (9) of the *Condominium Act, 1998*)

TO: All Owners in MTCC 690

The board has received and reviewed a Class 1 dated August 28, 2020 prepared by RDH Building Science Inc., 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 \$619.

Based on the proposed funding plan, the average increase in contribution per unit) per month will be:

2021	\$31
2022	\$33
2023	\$34

The proposed funding plan will be implemented beginning on \_\_\_\_\_.

(set out the date of the day that is more than 30 days after the day on which this notice is sent to the Owners)

Dated this 1<sup>th</sup> day of Sept., 2020.

Metropolitan Toronto Condominium Corporation No. 690



(signature)

RARES PATEANU

(print name)



(signature)

INGRID RINALDI

(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 Class 1 Reserve fund study dated August 28, 2020, prepared by RDH Building Science Inc. for MTCC 690 (known as the "Reserve Fund Study") and the board's proposed plan for the future funding of the reserve fund.

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 Board of MTCC 690 has reviewed the Class II Study dated August 28, 2020 prepared by RDH Building Science Inc. 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 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. The recommended annual contribution for the fiscal year ending on 2021 is \$561,681 based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund	\$1,305,000
Minimum Reserve Fund Balance during the projected period	\$120,000
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	1.5%

The total annual contribution recommended under the proposed funding plan for the current fiscal year is \$534,934 which is the same amount that has already been budgeted.

The Reserve Fund Study can be examined by submitting a written request to the Property Manager (as per Section 55 (3) of the *Condominium Act, 1998*).

## CASH FLOW TABLE

Opening Balance of the Reserve Fund \$1,305,000

Minimum Reserve Fund Balance (as indicated  
In this table) \$120,000

Assumed Annual Inflation Rate for Reserve  
Fund Expenditures: 2%

Assumed Annual Interest Rate for interest  
earned on the Reserve Fund: 1.5%

CASH FLOW TABLE								
Year	Opening Balance	Recommended Annual Contribution	Estimated Interest Earned	Estimated Inflation Adjusted Expenditures	HST Tax (13%)	Percentage Increase in Recommended Annual Contribution	Special Assessments	Closing Balance
2020	\$1,305,000	\$534,934	\$19,575.00	\$720,400	\$93,652	0%		\$1,045,457
2021	\$1,045,457	\$561,681	\$15,681.86	\$635,100	\$82,563	5%		\$905,157
2022	\$905,157	\$589,765	\$13,577.35	\$376,900	\$48,997	5%		\$1,082,602
2023	\$1,082,602	\$619,253	\$16,239.02	\$611,300	\$79,469	5%		\$1,027,325
2024	\$1,027,325	\$650,216	\$15,409.87	\$690,900	\$89,817	5%		\$912,233
2025	\$912,233	\$682,726	\$13,683.50	\$1,261,000	\$163,930	5%		\$183,713
2026	\$183,713	\$716,863	\$2,755.70	\$424,200	\$55,146	5%		\$423,985
2027	\$423,985	\$718,655	\$6,359.78	\$946,200	\$123,006	0.25%	\$40,206	\$120,000
2028	\$120,000	\$720,452	\$1,800.00	\$264,500	\$34,385	0.25%		\$543,367
2029	\$543,367	\$722,253	\$8,150.50	\$98,000	\$12,740	0.25%		\$1,163,030
2030	\$1,163,030	\$724,058	\$17,445.44	\$1,157,400	\$150,462	0.25%		\$596,671
2031	\$596,671	\$725,868	\$8,950.07	\$683,100	\$88,803	0.25%		\$559,587
2032	\$559,587	\$727,683	\$8,393.80	\$283,400	\$36,842	0.25%		\$975,422
2033	\$975,422	\$729,502	\$14,631.33	\$1,269,400	\$165,022	0.25%		\$285,133
2034	\$285,133	\$731,326	\$4,277.00	\$299,100	\$38,883	0.25%		\$682,753
2035	\$682,753	\$733,154	\$10,241.30	\$193,500	\$25,155	0.25%		\$1,207,494
2036	\$1,207,494	\$734,987	\$18,112.41	\$491,900	\$63,947	0.25%		\$1,404,747
2037	\$1,404,747	\$736,825	\$21,071.20	\$552,400	\$71,812	0.25%		\$1,538,431
2038	\$1,538,431	\$738,667	\$23,076.46	\$185,600	\$24,128	0.25%		\$2,090,446
2039	\$2,090,446	\$740,513	\$31,356.69	\$774,400	\$100,672	0.25%		\$1,987,244
2040	\$1,987,244	\$742,365	\$29,808.66	\$393,900	\$51,207	0.25%		\$2,314,311
2041	\$2,314,311	\$744,221	\$34,714.66	\$298,400	\$38,792	0.25%		\$2,756,054
2042	\$2,756,054	\$746,081	\$41,340.81	\$927,500	\$120,575	0.25%		\$2,495,401
2043	\$2,495,401	\$747,946	\$37,431.01	\$601,200	\$78,156	0.25%		\$2,601,422
2044	\$2,601,422	\$749,816	\$39,021.33	\$307,000	\$39,910	0.25%		\$3,043,350
2045	\$3,043,350	\$751,691	\$45,650.25	\$192,900	\$25,077	0.25%		\$3,622,714
2046	\$3,622,714	\$753,570	\$54,340.71	\$325,600	\$42,328	0.25%		\$4,062,697
2047	\$4,062,697	\$755,454	\$60,940.45	\$733,600	\$95,368	0.25%		\$4,050,123
2048	\$4,050,123	\$757,343	\$60,751.85	\$357,300	\$46,449	0.25%		\$4,464,469
2049	\$4,464,469	\$759,236	\$66,967.03	\$164,000	\$21,320	0.25%		\$5,105,351

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

CONTRIBUTION TABLE				
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
2020	\$534,934	0%	\$0	\$534,934
2021	\$561,681	5%	\$0	\$561,681
2022	\$589,765	5%	\$0	\$589,765
2023	\$619,253	5%	\$0	\$619,253
2024	\$650,216	5%	\$0	\$650,216
2025	\$682,726	5%	\$0	\$682,726
2026	\$716,863	5%	\$0	\$716,863
2027	\$718,655	0.25%	\$40,206 (Special Assessment)	\$758,861
2028	\$720,452	0.25%	\$0	\$720,452
2029	\$722,253	0.25%	\$0	\$722,253
2030	\$724,058	0.25%	\$0	\$724,058
2031	\$725,868	0.25%	\$0	\$725,868
2032	\$727,683	0.25%	\$0	\$727,683
2033	\$729,502	0.25%	\$0	\$729,502
2034	\$731,326	0.25%	\$0	\$731,326
2035	\$733,154	0.25%	\$0	\$733,154
2036	\$734,987	0.25%	\$0	\$734,987
2037	\$736,825	0.25%	\$0	\$736,825
2038	\$738,667	0.25%	\$0	\$738,667
2039	\$740,513	0.25%	\$0	\$740,513
2040	\$742,365	0.25%	\$0	\$742,365
2041	\$744,221	0.25%	\$0	\$744,221
2042	\$746,081	0.25%	\$0	\$746,081
2043	\$747,946	0.25%	\$0	\$747,946
2044	\$749,816	0.25%	\$0	\$749,816
2045	\$751,691	0.25%	\$0	\$751,691
2046	\$753,570	0.25%	\$0	\$753,570
2047	\$755,454	0.25%	\$0	\$755,454
2048	\$757,343	0.25%	\$0	\$757,343
2049	\$759,236	0.25%	\$0	\$759,236

**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 matches the Reserve Fund Study.