

October 24, 2017

All Owners  
M.T.C.C. 878  
7 Bishop Avenue  
North York, Ontario

Dear Owners:

**Re: M.T.C.C. 878-7 Bishop Avenue**  
**Reserve Fund Study "Form 15"**

The Condominium Act 1998, requires that all condominiums conduct a Reserve Fund Study and that the Reserve Fund Study is updated every three years. The Condominium Corporation must collect contributions to the Reserve as stipulated in the 30 year Cash Flow Summary included in the Reserve Fund Study.

The Reserve Fund Study assumes that the capital components such as elevators, boilers, lighting, roof, etc., will last for a specified number of years and we must save money now to replace them at some future date in time. Components may have a longer or shorter life span than that provided for in the Reserve Fund Study; therefore it is important to have it updated to ensure adequate funds are accumulated for the required expenses.

The Condominium Act 1998, requires that the Corporation provide each Owner with the attached "Form 15 - Notice of Funding of the Reserve Fund". The "Cash Flow Projection Table" included in the "Form 15" explains how much will be collected and spent each year, in order that the Corporation may adhere to the Reserve Fund Study.

Section 94 (10) of the Condominium Act, requires that the Board implement the proposed plan 30 days following sending the plan to all Owners. Therefore, the plan will be implemented effective November 23, 2017.

Yours truly;  
Glendale Properties Inc.  
Managing Agent for M.T.C.C. 878



Edward Kim, Property Manager  
Encl.

**NOTICE OF FUTURE FUNDING OF THE RESERVE FUND**

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

*Condominium Act, 1998*

TO: All Owners of Metropolitan Toronto Condominium Corporation No. 878  
7 Bishop Avenue, Toronto, Ontario

The board has received and reviewed a comprehensive reserve fund study dated September 21, 2017 prepared by exp Services 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 for the fiscal year 2017/2018 is \$189.88. There is an increase of \$11.58 for the fiscal year 2018/2019 and an increase of \$12.29 for fiscal year 2019/2020.

The proposed funding plan was implemented beginning November 23 2017

Dated this 24 day of OCTOBER 2017.

Metropolitan Toronto Condominium Corporation No. 878

  
(signature)

CARLOS CAVANNA  
(print name)

  
(signature)

BORIS BRISIGN  
(print name)

*Affix corporate seal above*

The above persons signing have the authority to bind the corporation.

## SUMMARY OF RESERVE FUND STUDY

The following is a summary of the comprehensive reserve fund study dated September 21, 2017 prepared by **exp** Services Inc. for Metropolitan Toronto Condominium Corporation No. 878.

Subsection 94(1) of the *Condominium Act, 1998*, required 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 repairs 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 the 2018/2019 fiscal year is \$925,941.00 based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund:	\$1,667,394
Minimum Reserve Fund Balance during the projected period	\$583,678
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	1.50%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	2.50%

The Reserve Fund Study can be examined by providing a written request and reasonable notice to the corporation’s address for service:

Attn: Metropolitan Toronto Condominium Corporation No. 878  
7 Bishop Avenue  
Toronto, Ontario  
M2M 4J4

## CASH FLOW TABLE

Opening Balance of the Reserve Fund:	\$1,667,394
Minimum Reserve Fund Balance during the projected period	\$583,678
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	1.50%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	2.50%

Year	Opening Balance	Recommended Annual Contribution	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance
2017/2018	\$1,667,394	\$872,706	-\$576,933	\$41,327	N/A	\$2,004,494
2018/2019	\$2,004,494	\$925,941	-\$1,350,144	\$35,847	6.1%	\$1,616,139
2019/2020	\$1,616,139	\$982,423	-\$340,119	\$45,774	6.1%	\$2,304,218
2020/2021	\$2,304,218	\$1,042,351	-\$443,295	\$61,916	6.1%	\$2,965,189
2021/2022	\$2,965,189	\$1,105,935	-\$350,399	\$81,121	6.1%	\$3,801,845
2022/2023	\$3,801,845	\$1,173,397	-\$1,714,611	\$77,264	6.1%	\$3,337,895
2023/2024	\$3,337,895	\$1,244,974	-\$261,204	\$93,836	6.1%	\$4,415,502
2024/2025	\$4,415,502	\$1,320,917	-\$840,264	\$111,015	6.1%	\$5,007,171
2025/2026	\$5,007,171	\$1,401,493	-\$1,869,944	\$107,439	6.1%	\$4,646,160
2026/2027	\$4,646,160	\$1,486,984	-\$2,962,626	\$78,637	6.1%	\$3,249,155
2027/2028	\$3,249,155	\$1,509,289	-\$2,812,977	\$46,396	1.5%	\$1,991,863
2028/2029	\$1,991,863	\$1,531,929	-\$1,195,312	\$45,447	1.5%	\$2,373,927
2029/2030	\$2,373,927	\$1,554,907	-\$2,485,119	\$32,809	1.5%	\$1,476,524
2030/2031	\$1,476,524	\$1,578,231	-\$2,498,535	\$27,458	1.5%	\$583,678
2031/2032	\$583,678	\$1,601,905	-\$673,672	\$22,139	1.5%	\$1,534,050
2032/2033	\$1,534,050	\$1,625,933	-\$1,294,090	\$33,087	1.5%	\$1,898,980
2033/2034	\$1,898,980	\$1,650,322	-\$1,415,312	\$40,305	1.5%	\$2,174,294
2034/2035	\$2,174,294	\$1,675,077	-\$2,306,909	\$32,945	1.5%	\$1,575,408
2035/2036	\$1,575,408	\$950,000	-\$473,325	\$41,852	-43.3%	\$2,093,934
2036/2037	\$2,093,934	\$964,250	-\$587,786	\$52,965	1.5%	\$2,523,363
2037/2038	\$2,523,363	\$978,714	-\$214,838	\$71,043	1.5%	\$3,358,281
2038/2039	\$3,358,281	\$993,394	-\$2,763,850	\$44,132	1.5%	\$1,631,957
2039/2040	\$1,631,957	\$1,008,295	-\$928,475	\$35,349	1.5%	\$1,747,126
2040/2041	\$1,747,126	\$1,023,420	-\$1,746,093	\$22,977	1.5%	\$1,047,430
2041/2042	\$1,047,430	\$1,038,771	-\$464,507	\$29,691	1.5%	\$1,651,386
2042/2043	\$1,651,386	\$1,054,353	-\$1,026,370	\$34,521	1.5%	\$1,713,889
2043/2044	\$1,713,889	\$1,070,168	-\$249,624	\$50,970	1.5%	\$2,585,403
2044/2045	\$2,585,403	\$1,086,220	-\$391,877	\$70,505	1.5%	\$3,350,251
2045/2046	\$3,350,251	\$1,102,514	-\$846,944	\$81,431	1.5%	\$3,687,252
2046/2047	\$3,687,252	\$1,119,051	-\$1,103,273	\$85,297	1.5%	\$3,788,328

**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 Metropolitan Toronto Condominium Corporation No. 878 has reviewed the comprehensive reserve fund study dated September 21, 2017, prepared by **exp** Services 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 study 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 2018/2019 fiscal year is \$925,941.00.

The Reserve Fund Study can be examined by providing a written request and reasonable notice to the corporation's address for service:

Attn: Metropolitan Toronto Condominium Corporation No. 878  
7 Bishop Avenue  
Toronto, Ontario  
M2M 4J4

## CONTRIBUTION TABLE

	A		B	A + B
Year	Recommended Annual Contribution	Percentage Increase Over Previous Year	Other Contributions (e.g. special assessment, loan)	Total Contribution Each Year to Reserve Fund
2017/2018	\$872,706	N/A		\$872,706
2018/2019	\$925,941	6.1%		\$925,941
2019/2020	\$982,423	6.1%		\$982,423
2020/2021	\$1,042,351	6.1%		\$1,042,351
2021/2022	\$1,105,935	6.1%		\$1,105,935
2022/2023	\$1,173,397	6.1%		\$1,173,397
2023/2024	\$1,244,974	6.1%		\$1,244,974
2024/2025	\$1,320,917	6.1%		\$1,320,917
2025/2026	\$1,401,493	6.1%		\$1,401,493
2026/2027	\$1,486,984	6.1%		\$1,486,984
2027/2028	\$1,509,289	1.5%		\$1,509,289
2028/2029	\$1,531,929	1.5%		\$1,531,929
2029/2030	\$1,554,907	1.5%		\$1,554,907
2030/2031	\$1,578,231	1.5%		\$1,578,231
2031/2032	\$1,601,905	1.5%		\$1,601,905
2032/2033	\$1,625,933	1.5%		\$1,625,933
2033/2034	\$1,650,322	1.5%		\$1,650,322
2034/2035	\$1,675,077	1.5%		\$1,675,077
2035/2036	\$950,000	-43.3%		\$950,000
2036/2037	\$964,250	1.5%		\$964,250
2037/2038	\$978,714	1.5%		\$978,714
2038/2039	\$993,394	1.5%		\$993,394
2039/2040	\$1,008,295	1.5%		\$1,008,295
2040/2041	\$1,023,420	1.5%		\$1,023,420
2041/2042	\$1,038,771	1.5%		\$1,038,771
2042/2043	\$1,054,353	1.5%		\$1,054,353
2043/2044	\$1,070,168	1.5%		\$1,070,168
2044/2045	\$1,086,220	1.5%		\$1,086,220
2045/2046	\$1,102,514	1.5%		\$1,102,514
2046/2047	\$1,119,051	1.5%		\$1,119,051

The term “annual contribution” means the amount to be contributed each year to the reserve fund from the monthly common expenses.

**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:

There are no differences from the Reserve Fund Study.