

April 19, 2013

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

Condominium Act, 1998

TO: All Owners in Metropolitan Toronto Condominium Corporation No. 600.

The board has received and reviewed an updated reserve fund study based on a site inspection dated November 8, 2012, prepared by Building Sciences 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.

At the present time (fiscal year 2013, starting January 1, 2013) the average contribution per unit per month to the reserve fund is \$311.00. Based on the proposed funding plan, the average increase in contribution per unit per month will be \$12.44 for fiscal year 2014, \$12.94 for fiscal year 2015 and \$13.45 for fiscal year 2016. The total annual contribution to the reserve fund (fiscal year 2013) is presently \$205,260. Refer to attached funding plan to be implemented by Condominium Corporation regarding the annual contribution in upcoming fiscal years.

The proposed funding plan will be implemented beginning on 1st day of JUNE , 2013 (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 1st day of MAY , 2013.

Metropolitan Toronto Condominium Corporation No. 600

.....
(signature)

ALAN GRACAN
(print name)

.....
(signature)

DUGLIS GIBSON
(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 updated reserve fund study based on a site inspection November 8, 2012, prepared by Building Sciences Inc., for Metropolitan Toronto Condominium Corporation No. 600 (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 the fiscal year 2013 is \$205,260, based on the estimated expenditures and the following:

| | |
|---|-----------|
| Projected Opening Balance of the Reserve Fund: | \$922,706 |
| Projected Minimum Reserve Fund Balance during the projected period: | \$156,573 |
| Assumed Annual Inflation Rate for Reserve Fund Expenditures: | 2.0 % |
| Assumed Annual Interest Rate for interest earned on the Reserve Fund: | 1.0 % |

The Reserve Fund Study can be examined upon written request to the Board of Directors and reasonable notice as set out in subsection 55 (3) of the *Condominium Act, 1998*, where and when it can be examined.

CASH FLOW TABLE

| | |
|---|-----------|
| Projected Opening Balance of the Reserve Fund: | \$922,706 |
| Projected Minimum Reserve Fund Balance (as indicated in this table) | \$156,573 |
| Assumed Annual Inflation Rate for Reserve Fund Expenditures: | 2.0 % |
| Assumed Annual Interest Rate for interest earned on the Reserve Fund: | 1.0 % |

| Fiscal Year | Opening Balance | Recommended Annual Contribution | Supplemental Assessment | Estimated Expenses Future Value | Estimated Interest Earned | Percentage Increase in Recommended Annual Contribution | Closing Balance | |
|-------------|-----------------|---------------------------------|-------------------------|---------------------------------|---------------------------|--|-----------------|---------------|
| | | | | | | | Future Value | Present Value |
| 2013 | \$922,706 | \$205,260 | | \$277,200 | \$8,867 | - | \$859,633 | \$859,633 |
| 2014 | \$859,633 | \$213,470 | | \$89,760 | \$9,215 | 4.0% | \$992,559 | \$973,097 |
| 2015 | \$992,559 | \$222,009 | | \$643,904 | \$7,816 | 4.0% | \$578,480 | \$556,017 |
| 2016 | \$578,480 | \$230,890 | | \$315,922 | \$5,360 | 4.0% | \$498,808 | \$470,038 |
| 2017 | \$498,808 | \$240,125 | | \$91,141 | \$5,733 | 4.0% | \$653,525 | \$603,756 |
| 2018 | \$653,525 | \$249,730 | | \$614,863 | \$4,710 | 4.0% | \$293,103 | \$265,472 |
| 2019 | \$293,103 | \$259,719 | | \$80,295 | \$3,828 | 4.0% | \$476,355 | \$422,989 |
| 2020 | \$476,355 | \$270,108 | | \$84,888 | \$5,690 | 4.0% | \$667,265 | \$580,894 |
| 2021 | \$667,265 | \$280,912 | | \$594,266 | \$5,106 | 4.0% | \$359,017 | \$306,418 |
| 2022 | \$359,017 | \$292,149 | | \$497,159 | \$2,565 | 4.0% | \$156,573 | \$131,013 |
| 2023 | \$156,573 | \$295,070 | | \$132,017 | \$2,381 | 1.0% | \$322,007 | \$264,158 |
| 2024 | \$322,007 | \$298,021 | | \$107,055 | \$4,175 | 1.0% | \$517,149 | \$415,924 |
| 2025 | \$517,149 | \$301,001 | | \$381,741 | \$4,768 | 1.0% | \$441,177 | \$347,865 |
| 2026 | \$441,177 | \$304,011 | | \$94,433 | \$5,460 | 1.0% | \$656,215 | \$507,276 |
| 2027 | \$656,215 | \$307,052 | | \$395,052 | \$6,122 | 1.0% | \$574,337 | \$435,276 |
| 2028 | \$574,337 | \$310,122 | | \$85,193 | \$6,868 | 1.0% | \$806,133 | \$598,969 |
| 2029 | \$806,133 | \$313,223 | | \$63,148 | \$9,312 | 1.0% | \$1,065,520 | \$776,174 |
| 2030 | \$1,065,520 | \$316,355 | | \$456,059 | \$9,957 | 1.0% | \$935,774 | \$668,295 |
| 2031 | \$935,774 | \$319,519 | | \$64,700 | \$10,632 | 1.0% | \$1,201,225 | \$841,049 |
| 2032 | \$1,201,225 | \$322,714 | | \$0 | \$13,626 | 1.0% | \$1,537,565 | \$1,055,432 |
| 2033 | \$1,537,565 | \$325,941 | | \$770,761 | \$13,152 | 1.0% | \$1,105,897 | \$744,237 |
| 2034 | \$1,105,897 | \$329,201 | | \$30,313 | \$12,553 | 1.0% | \$1,417,338 | \$935,125 |
| 2035 | \$1,417,338 | \$332,493 | | \$396,235 | \$13,855 | 1.0% | \$1,367,451 | \$884,521 |
| 2036 | \$1,367,451 | \$335,818 | | \$124,417 | \$14,732 | 1.0% | \$1,593,583 | \$1,010,580 |
| 2037 | \$1,593,583 | \$339,176 | | \$1,042,911 | \$12,417 | 1.0% | \$902,265 | \$560,958 |
| 2038 | \$902,265 | \$342,568 | | \$201,138 | \$9,730 | 1.0% | \$1,053,424 | \$642,095 |
| 2039 | \$1,053,424 | \$345,993 | | \$336,190 | \$10,583 | 1.0% | \$1,073,811 | \$641,687 |
| 2040 | \$1,073,811 | \$349,453 | | \$332,672 | \$10,822 | 1.0% | \$1,101,414 | \$645,277 |
| 2041 | \$1,101,414 | \$352,948 | | \$44,048 | \$12,559 | 1.0% | \$1,422,873 | \$817,262 |
| 2042 | \$1,422,873 | \$356,477 | | \$4,440 | \$15,989 | 1.0% | \$1,790,899 | \$1,008,477 |

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. 600 has reviewed the updated reserve fund study based on a site inspection dated November 8, 2012, prepared by Building Sciences 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 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 (2013) is \$205,260, which is the same amount that has already been budgeted.

CONTRIBUTION TABLE

| Fiscal Year | (A) Annual Contribution* | % Increase over Previous year | (B) Other Contributions (e.g. special assessment, loan) | (A) + (B) Total Contribution Each year to Reserve Fund |
|-------------|-----------------------------|-------------------------------------|---|--|
| 2013 | \$205,260 | - | \$0 | \$205,260 |
| 2014 | \$213,470 | 4.0% | \$0 | \$213,470 |
| 2015 | \$222,009 | 4.0% | \$0 | \$222,009 |
| 2016 | \$230,890 | 4.0% | \$0 | \$230,890 |
| 2017 | \$240,125 | 4.0% | \$0 | \$240,125 |
| 2018 | \$249,730 | 4.0% | \$0 | \$249,730 |
| 2019 | \$259,719 | 4.0% | \$0 | \$259,719 |
| 2020 | \$270,108 | 4.0% | \$0 | \$270,108 |
| 2021 | \$280,912 | 4.0% | \$0 | \$280,912 |
| 2022 | \$292,149 | 4.0% | \$0 | \$292,149 |
| 2023 | \$295,070 | 1.0% | \$0 | \$295,070 |
| 2024 | \$298,021 | 1.0% | \$0 | \$298,021 |
| 2025 | \$301,001 | 1.0% | \$0 | \$301,001 |
| 2026 | \$304,011 | 1.0% | \$0 | \$304,011 |
| 2027 | \$307,052 | 1.0% | \$0 | \$307,052 |
| 2028 | \$310,122 | 1.0% | \$0 | \$310,122 |
| 2029 | \$313,223 | 1.0% | \$0 | \$313,223 |
| 2030 | \$316,355 | 1.0% | \$0 | \$316,355 |
| 2031 | \$319,519 | 1.0% | \$0 | \$319,519 |
| 2032 | \$322,714 | 1.0% | \$0 | \$322,714 |
| 2033 | \$325,941 | 1.0% | \$0 | \$325,941 |
| 2034 | \$329,201 | 1.0% | \$0 | \$329,201 |
| 2035 | \$332,493 | 1.0% | \$0 | \$332,493 |
| 2036 | \$335,818 | 1.0% | \$0 | \$335,818 |
| 2037 | \$339,176 | 1.0% | \$0 | \$339,176 |
| 2038 | \$342,568 | 1.0% | \$0 | \$342,568 |
| 2039 | \$345,993 | 1.0% | \$0 | \$345,993 |
| 2040 | \$349,453 | 1.0% | \$0 | \$349,453 |
| 2041 | \$352,948 | 1.0% | \$0 | \$352,948 |
| 2042 | \$356,477 | 1.0% | \$0 | \$356,477 |

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