COMFORT

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Dear Homeowner;

Re: **York Regional Condominium Corporation No. 741**
Regulated Reserve Fund Study Information Distribution

Your annual budget, on which your maintenance fees are calculated, is comprised of two main portions; the **"Operating Account"** that is used for items such as daily repairs, management contract, landscaping etc.; and the **"Reserve Fund"** that is used to save for future major repairs and replacements. The Reserve Fund helps to ensure that money is available when work is required.

The Condominium Act 1998 requires that each condominium corporation have a Reserve Fund Study completed. The study is to be prepared by an independent qualified engineer. All components of the property are identified (Roadways, curbs, eavestroughs, etc.), their age is estimated and the resulting replacement date and costs determined. All of this is summarized in a document called ***Common Elements Life Cycle/Cost Table.*** It is with this document that your corporation is able to start saving for, and scheduling those major repairs that will be needed. Your Board of Directors and management worked to develop a funding plan that would allow the bank balance to be sufficient to meet these future needs (when they are required) without placing a severe financial burden on unit owners.

As per subsection 94(9) of the Condominium Act, 1998 your corporation must provide information about the Reserve Fund Study to all unit owners as listed below. **This information only refers to the contributions that appear on your budget as the Reserve Fund. It is important that you do not consider this information as representing the entire annual budget.**

Please find enclosed:

- Notice of Future Funding of the Reserve Fund
- Summary of Reserve Fund Study
- Reserve Fund Cash Flow Table
- Summary of Proposed Plan for Future Funding of the Reserve Fund
- Reserve Fund Contribution Table

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The ***Notice of Future Funding of the Reserve Fund*** is a sheet designed by the government to inform all unit owners of how reserve fund planning has been completed and if it meets the needs of future expenses. This is a regulated government form and is an overview of the following documents:

The ***Summary of Proposed Plan for Future Funding of the Reserve Fund*** is a regulated form designed to give unit owners a snapshot of the current funding level for the reserve fund account and should be read in conjunction with the ***Contribution Table***. This table will show what will be budgeted for the reserve fund account in future years.

The ***Summary of Reserve Fund Study*** is a regulated form that informs you of the assumptions that were made in the development of the funding plan. This document also refers to the ***30 – Year Cash Flow Table*** that shows the year, total expenses for that year, year-end balances etc. for all reserve fund expenditures and funding for the next 30 years.

Should you have any questions regarding this information, please contact management at the letterhead address.

Yours truly,

Comfort Property Management Inc.
Agents for and on behalf of Y.R.C.C. No. 741

Jenny Pang
Property Manager

July 6th, 2018

Form 15

Condominium Act, 1998

NOTICE OF FUTURE FUNDING OF RESERVE FUND

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

TO: All owners in York Region Condominium Corporation No. 741

The Board has received and reviewed a Class 2 Reserve Fund Study dated June 27, 2018,

prepared by Jessica Wong of Stephenson Engineering Limited, 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 $ 284.22 Based on the proposed funding plan, the average increase in contribution per unit per month will be:

Fiscal Year	*Average Monthly Contribution Per Unit*
2018/2019	$308.04
2019/2020	$333.85
2020/2021	$361.82
2021/2022	$374.48
2022/2023	$387.59

There are no areas in which the proposed funding plan differs from the reserve fund study. The proposed funding plan will be implemented beginning on August 7, 2018.

Dated this 5th day of July, 2018.

York Region Condominium Corporation No. 741
Condominium Corporation Number

(signature)

LARRY NEUSTADT
(print name)

(signature)

RONALD L. DUKE
(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 2 Reserve Fund Study..... dated .....June 27, 2018....., prepared by .....Jessica Wong..... *of Stephenson Engineering Limited* for .....York Region Condominium Corporation No. 741..... (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 next fiscal year .....2018/2019..... is $ .....643,182....., based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund (2017/2018):	$1,819,475
Minimum Reserve Fund Balance during the projected period:	$200,000
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.0%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	2.0%

The Reserve Fund Study can be examined by appointment with Management or the Board of Directors. As per subsection 55 (3) of the Condominium Act, 1998, the corporation should be contacted and reasonable notice of intent to view records provided.

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Cash Flow Table

Opening Balance of the Reserve Fund: $1,819,475

Minimum Reserve Fund Balance (as indicated in this table) $200,000

Assumed Annual Inflation Rate Yrs. 1-3: 2.0%, Yrs. 4-6: 2.5%, Long Term: 3.0%

Assumed Annual Interest Rate Yrs. 1-3: 2.0%, Yrs. 4-6: 2.5%, Long Term: 3.0%

Year	Opening Balance	Recommended Annual Contribution	Inflation Adjusted Expenses	Estimated Interest Earned	% Increase in Annual Contribution	Closing Balance
2017/2018	$1,819,475	$593,458	$385,947	$38,465		$2,065,451
2018/2019	$2,065,451	$643,182	$724,200	$40,499	**8.4%**	$2,024,931
2019/2020	$2,024,931	$697,071	$604,993	$41,419	**8.4%**	$2,158,429
2020/2021	$2,158,429	$755,476	$612,777	$44,596	**8.4%**	$2,345,724
2021/2022	$2,345,724	$781,918	$383,972	$63,617	**3.5%**	$2,807,288
2022/2023	$2,807,288	$809,285	$1,277,526	$64,329	**3.5%**	$2,403,376
2023/2024	$2,403,376	$837,610	$1,036,524	$57,598	**3.5%**	$2,262,060
2024/2025	$2,262,060	$866,926	$1,853,131	$44,224	**3.5%**	$1,320,080
2025/2026	$1,320,080	$897,269	$1,201,490	$29,199	**3.5%**	$1,045,058
2026/2027	$1,045,058	$928,673	$1,479,297	$19,244	**3.5%**	$513,677
2027/2028	$513,677	$961,177	$1,283,665	$8,811	**3.5%**	$200,000
2028/2029	$200,000	$980,400	$357,703	$12,784	2.0%	$835,481
2029/2030	$835,481	$1,000,008	$1,509,895	$14,513	2.0%	$340,108
2030/2031	$340,108	$1,020,008	$215,042	$18,565	2.0%	$1,163,639
2031/2032	$1,163,639	$1,040,409	$673,167	$40,418	2.0%	$1,571,298
2032/2033	$1,571,298	$1,061,217	$439,278	$56,468	2.0%	$2,249,704
2033/2034	$2,249,704	$1,082,441	$290,273	$79,374	2.0%	$3,121,246
2034/2035	$3,121,246	$1,104,090	$488,810	$102,867	2.0%	$3,839,393
2035/2036	$3,839,393	$1,126,172	$296,273	$127,630	2.0%	$4,796,922
2036/2037	$4,796,922	$1,148,695	$2,124,661	$129,268	2.0%	$3,950,224
2037/2038	$3,950,224	$1,171,669	$541,626	$127,957	2.0%	$4,708,224
2038/2039	$4,708,224	$1,195,102	$1,066,669	$143,173	2.0%	$4,979,830
2039/2040	$4,979,830	$1,219,005	$505,841	$160,092	2.0%	$5,853,085
2040/2041	$5,853,085	$1,243,385	$175,666	$191,608	2.0%	$7,112,412
2041/2042	$7,112,412	$1,268,252	$1,417,332	$211,136	2.0%	$7,174,468
2042/2043	$7,174,468	$1,293,617	$1,376,690	$213,988	2.0%	$7,305,384
2043/2044	$7,305,384	$1,319,490	$367,398	$233,443	2.0%	$8,490,918
2044/2045	$8,490,918	$1,345,879	$1,889,123	$246,579	2.0%	$8,194,254
2045/2046	$8,194,254	$1,372,797	$236,491	$262,872	2.0%	$9,593,432
2046/2047	$9,593,432	$1,400,253	$333,803	$303,800	2.0%	$10,963,682
2047/2048	$10,963,682	$1,428,258	$1,062,812	$334,392	2.0%	$11,663,520

SUMMARY OF PROPOSED PLAN

FOR FUTURE FUNDING OF THE RESERVE FUND

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

The Board of .....York Region Condominium Corporation No. 741.....has reviewed the .....Class 2 Reserve Fund Study....

dated .....June 27, 2018....., prepared by .....Jessica Wong..... *of Stephenson Engineering Limited* 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

$.....593,458....., which represents the amount already budgeted.

The Proposed Plan for Future Funding of the Reserve Fund can be examined by appointment only with the Board of Directors.

As per subsection 55(3) of the Condominium Act, 1998, the Corporation shall be contacted and given reasonable notice of intent to view records provided.

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Contribution Table

Opening Reserve Fund Study Balance	$1,819,475
Minimum Reserve Fund Balance	$200,000
Assumed Annual Inflation Rate	Yrs. 1-3: 2.0%, Yrs. 4-6: 2.5%, Long Term: 3.0%
Assumed Annual Interest Rate	Yrs. 1-3: 2.0%, Yrs. 4-6: 2.5%, Long Term: 3.0%

Year	Annual Contribution	% Increase in Annual Contribution	Other Contribution	Total Contribution Each Year to the Reserve
2017/2018	$593,458		0	$593,458
2018/2019	$643,182	8.4%	0	$643,182
2019/2020	$697,071	8.4%	0	$697,071
2020/2021	$755,476	8.4%	0	$755,476
2021/2022	$781,918	3.5%	0	$781,918
2022/2023	$809,285	3.5%	0	$809,285
2023/2024	$837,610	3.5%	0	$837,610
2024/2025	$866,926	3.5%	0	$866,926
2025/2026	$897,269	3.5%	0	$897,269
2026/2027	$928,673	3.5%	0	$928,673
2027/2028	$961,177	3.5%	0	$961,177
2028/2029	$980,400	2.0%	0	$980,400
2029/2030	$1,000,008	2.0%	0	$1,000,008
2030/2031	$1,020,008	2.0%	0	$1,020,008
2031/2032	$1,040,409	2.0%	0	$1,040,409
2032/2033	$1,061,217	2.0%	0	$1,061,217
2033/2034	$1,082,441	2.0%	0	$1,082,441
2034/2035	$1,104,090	2.0%	0	$1,104,090
2035/2036	$1,126,172	2.0%	0	$1,126,172
2036/2037	$1,148,695	2.0%	0	$1,148,695
2037/2038	$1,171,669	2.0%	0	$1,171,669
2038/2039	$1,195,102	2.0%	0	$1,195,102
2039/2040	$1,219,005	2.0%	0	$1,219,005
2040/2041	$1,243,385	2.0%	0	$1,243,385
2041/2042	$1,268,252	2.0%	0	$1,268,252
2042/2043	$1,293,617	2.0%	0	$1,293,617
2043/2044	$1,319,490	2.0%	0	$1,319,490
2044/2045	$1,345,879	2.0%	0	$1,345,879
2045/2046	$1,372,797	2.0%	0	$1,372,797
2046/2047	$1,400,253	2.0%	0	$1,400,253
2047/2048	$1,428,258	2.0%	0	$1,428,258

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 exist between the proposed plan for future funding and the Reserve Fund Study.

O. Reg. 48/01, Form 15.