

# AVALON

Budget statement for the common expenses for the year following registration of the declaration and description of Halton Vacant Land Condominium No. 556.

## **REVENUE**

Common Element Fees	\$29,082	
<b>TOTAL REVENUE</b>		<b>\$29,082</b>

## **ADMINISTRATION**

Property Management	\$6,300	
Insurance	2,000	
Legal	210	
Audit	1,200	
Office Expenses	200	
Property Taxes	500	
<b>TOTAL ADMINISTRATION EXPENSES</b>		<b>\$10,410</b>

## **UTILITIES**

Electricity	\$1,000	
<b>TOTAL UTILITIES</b>		<b>\$1,000</b>

## **CONSULTING**

Performance Audit	\$2,625	
<b>TOTAL CONSULTING</b>		<b>\$2,625</b>

## **MAINTENANCE & REPAIRS**

Repairs & Maintenance	\$150	
Supplies	50	
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>		<b>\$200</b>

## **CONTRACTS**

Landscaping & Snow Removal	\$10,000	
<b>TOTAL CONTRACTS</b>		<b>\$10,000</b>

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## **RESERVE FUND PROVISION**

Reserve Fund Provision	\$2,747
Reserve Fund Provision For Reserve Fund Study	2,100
<b>TOTAL RESERVE FUND PROVISION</b>	<b>\$4,847</b>
<b>TOTAL EXPENSES</b>	<b>\$29,082</b>

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## NOTES TO THE BUDGET

### I. INDIVIDUAL unit ASSESSMENT:

The monthly common element charge for each unit is determined by dividing the total budgeted common element fees attributed to the property by twelve (12) to determine the monthly assessment. This amount is multiplied by the unit's percentage contribution to common expenses, as shown in Schedule "D" of the declaration, to find the monthly individual common element charges.

#### 1. Total Monthly Common Element Assessment:

$$\$29,082 \text{ divided by } 12 = \$2,423.50$$

#### 2. Monthly Individual Common Element Assessment:

Individual unit monthly common element assessments are determined by multiplying the total monthly common element assessment (\$2,423.50) by the percentage contribution to common expenses of each unit. Please see the Schedule at the back of this Budget Statement for the individual unit monthly common element assessment.

### II. OPERATING EXPENSES:

#### 3. Administration Expenses \$10,410

##### a. Property Management \$6,300

This covers the cost of the services of a property management company to administer the affairs of the condominium corporation and as detailed in the property management contract included in the Disclosure Statement Package. The contract for the first year is set at \$500.00 per unit per month plus the G.S.T. The provision is for a part time property manager.

##### b. Insurance \$2,000

This amount covers all insurance costs, including fire (all risk), comprehensive general liability, all major equipment and directors and officers liability coverage, as applicable.

##### c. Legal \$210

Provision has been made for the appointment of independent legal counsel for the corporation at the discretion of the Board of Directors and to a maximum amount of \$200.

##### d. Audit \$1,200

Section 43(7) of the Condominium Act requires an audit sixty (60) days after the turn over meeting and Section 67 requires an audit for each fiscal year. This provision is the estimated cost to complete both the audits during the year.

##### e. Office Expenses \$200

This budgeted amount provides for any office expenses directly related to the operation of the corporation including various office supplies, photocopying, mailings, the annual general meeting, bank charges and other such expenses.

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## NOTES TO THE BUDGET

4.	Utilities	\$1,000
a.	Electricity	\$1,000

The budget is based on comparable property requirements and the current rates have been escalated by 6% and compounded annually. The budget includes electricity for the common element condominium only. Each unit will be separately metered and each unit owner will be responsible for the electricity costs for their own unit.

5.	Consulting	\$2,625
a.	Performance Audit	\$2,625

The cost of the engineering study, to be conducted by the Declarant Board of Directors, to examine the common element areas. This is a one time expense.

The Declarant shall arrange for an Agreement on behalf of the Corporation with an independent engineering consultant to prepare a Performance Audit within one (1) year immediately following registration of the Declaration and the Description. The Performance Audit shall be conducted by professional consulting engineers who shall make a thorough examination of the common element areas and assess the as-constructed condition of the various systems and components of the common element areas in order to provide the corporation with a report on the common element areas which will assist the corporation in assessing repair and maintenance requirements and in preserving any rights which the corporation may have. The Declarant has negotiated a price for the Performance Audit (the "Contracted Price") which has been included in the Budget as a first year expense of the corporation.

The Corporation is not restricted to the consulting engineers for the Performance Audit being prepared as set out herein. However, in the event that the corporation retains an alternate and/or additional consulting engineer to undertake the Performance Audit, at a higher cost than the Contracted Price negotiated by the Declarant then, the Declarant shall only be responsible for the amount of the Contracted Price, pursuant to Section 75 of the Condominium Act, and any expenses in excess of this stated amount shall be the sole responsibility of the condominium corporation.

6.	Maintenance and Repairs	\$200
a.	Repairs & Maintenance	\$150

This is the estimated cost for minor repairs to the common element areas only. This account is also used for the normal day-to-day maintenance to the common element areas.

b.	Supplies	\$50
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This is the estimated cost for supplies, such as street lights, for the common areas.

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## NOTES TO THE BUDGET

<b>7.</b>	<b>Contracts</b>	<b>\$10,000</b>
a.	Landscaping & Snow Removal	\$10,000
	<p>The estimated cost to maintain the common element condominium landscaping and to clear snow and ice from the roadways in the winter, including the cost of sand and salt. The provision does not include snow clearing from the front of walkways, stairs and driveways as applicable.</p>	
<b>8</b>	<b>Reserve Fund Provision</b>	<b>\$4,847</b>
a.	Reserve Fund Provision	\$2,747
	<p>The Condominium Act of Ontario defines the reserve fund as a fund set up by the corporation in a special account for the major repair and replacement of common elements and assets of the corporation. The provision is calculated at 20.0%, including the provision for the reserve fund study, of the estimated operating expenses. Future allocations will be dictated by the reserve fund study, to be completed in the first year after registration.</p>	
b.	Reserve Fund Provision For Reserve Fund Study	\$2,100
	<p>The Condominium Act of Ontario (Section 94 (4)) requires every condominium corporation to establish a reserve fund based on a study to be conducted in the first year after registration. Section 94(7) allows for the reserve fund study to be expensed from the reserve fund.</p>	

## II. GENERAL NOTES TO THE BUDGET

- a. The total common expenses of this Condominium Corporation, including the provision to the reserve fund is \$29,082 as shown on the Budget Statement.
- b. The cost of each expense item is shown on the Budget Statement. The cost of the Reserve Fund Study is \$2,000 plus G.S.T.; the cost of the Performance Audit is \$2,500 plus G.S.T.; the cost of the turn over and year end audits are \$1,200 inclusive of the G.S.T.
- c. The cost, type, level and frequency of services is detailed in the notes above.
- d. The monthly common element fee for each unit is \$186.42 and shown on the attached schedule to the Budget Statement.
- e. As stated in the notes above, 20.0% of the operating expenses will be paid into the reserve fund account. The provision is \$4,847.
- f. At the time of preparation of the Budget Statement, September 2009, there are no judgments, with respect to the property, against the Declarant nor is the Declarant a party to any lawsuit material to the
- g. There are no services not included in the foregoing Budget that the Declarant provides, or expenses that the Declarant pays and that might reasonably be expected to become, at a subsequent time, a common expense prior to the turn-over meeting.
- h. There are no services not included in the foregoing Budget that the Declarant provides, or expenses that the Declarant pays and that might reasonably be expected to become, at a subsequent time, a common expense.
- i. As at the date of the foregoing Budget, there are no amounts in the Reserve Fund. At the end of the first year after registration, there should be \$2,747 in the reserve fund account.

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## NOTES TO THE BUDGET

- j. As at the date of the foregoing Budget, September 2009, there is no reserve fund study. As stated in the Notes above, the reserve fund study will be completed after registration by an independent engineer.
- k. The Goods and Services Tax is included in all applicable expense items on the Budget Statement.
- l. There are no current or expected fees, charges, rents or other revenue to be paid to or by the Corporation or by any of the owners for the use of the common elements or other facilities related to the property.
- m. At the time of preparation of the Budget Statement, September 2009, the affects of the newly proposed Harmonized Sales Tax as announced by the government of Ontario are not yet fully known. As a result, purchasers are advised that the budget may need to be adjusted to account for the affects of this new Harmonized Sales Tax. Purchasers are further advised, and agree, that such change to the budget will not be constituted to be a material change as defined by the Condominium Act (1998), nor will the Declarant be accountable to the Corporation for any budget shortfall as a result of the implementation of the Harmonized

## SCHEDULE D

LEVELL NO.	UNIT NO.	PERCENTAGE CONTRIBUTION TO COMMON EXPENSES AND PERCENTAGE INTEREST IN COMMON ELEMENTS
1	1	7.72
1	2	7.69
1	3	7.69
1	4	7.69
1	5	7.69
1	6	7.69
1	7	7.69
1	8	7.69
1	9	7.69
1	10	7.69
1	11	7.69
1	12	7.69
1	13	7.69
<b>TOTAL</b>	<b>TOTAL</b>	<b>100.00</b>

## SCHEDULE OF MONTHLY COMMON ELEMENT FEES

POTL NO.	POTL NO.	MONTHLY COMMON ELEMENT FEES BY UNIT
1	1	\$187.09
1	2	\$186.37
1	3	\$186.37
1	4	\$186.37
1	5	\$186.37
1	6	\$186.37
1	7	\$186.37
1	8	\$186.37
1	9	\$186.37
1	10	\$186.37
1	11	\$186.37
1	12	\$186.37
1	13	\$186.37
TOTAL		\$2,423.50