

The
VILLAGE
SOUTHFIELDS • CALEDON

**BUDGET STATEMENT
FOR THE FIRST YEAR OF OPERATIONS**

The
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Budget statement for the common expenses for the year following registration of the declaration and description of the proposed common elements condominium corporation at The Village Southfields, Caledon, Ontario.

REVENUE

Common Element Fees	\$117,153	
TOTAL REVENUE		\$117,153

EXPENSES

ADMINISTRATION

Management Fees	\$22,374	
Insurance	4,500	
Legal	565	
Audit	5,577	
Less Declarant Subsidy	(2,788)	
Office Expenses	2,000	
CAO Assessment & Regulatory Costs	200	
TOTAL ADMINISTRATION EXPENSES		\$32,427

UTILITIES

Electricity	\$4,900	
Water	1,500	
TOTAL UTILITIES		\$6,400

CONSULTING

Performance Audit	\$5,650	
Less Declarant Subsidy	(5,650)	
TOTAL CONSULTING		\$0

MAINTENANCE & REPAIRS

Repairs & Maintenance	\$1,500	
Maintenance Supplies	500	
TOTAL REPAIRS & MAINTENANCE		\$2,000

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Budget statement for the common expenses for the year following registration of the declaration and description of the proposed common elements condominium corporation at The Village Southfields, Caledon, Ontario.

CONTRACTS

Landscaping and Snow Clearing	\$56,800	
TOTAL CONTRACTS		\$56,800

RESERVE FUND

Reserve Fund Provision	\$15,570	
Reserve Fund Provision for Reserve Fund Study	3,955	
TOTAL RESERVE FUND		\$19,525

TOTAL EXPENSES		\$117,153
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If registration of the declaration and description occurs after December 31, 2022, then the budget statement shall be read as increased by an inflation rate of 7.5% per annum and compounded annually. The date contained in this clause is not a guarantee that registration will take place on this date.



NOTES TO THE BUDGET

I. INDIVIDUAL UNIT ASSESSMENT:

The monthly common element charge for each POTL 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 POTL's percentage contribution to common expenses, as shown in Schedule "D" of the proposed declaration, to find the monthly individual common element charges.

1. Total Monthly Common Element Assessment:

\$117,153 divided by 12 = \$9,763.05

2. Monthly Individual Common Element Assessment:

Individual POTL monthly common element assessments are determined by multiplying the total monthly common element assessment (\$9,763.05) by the percentage contribution to common expenses of each POTL. Please see the Schedule at the back of this Budget Statement for the individual unit monthly common element assessment.

II. OPERATING EXPENSES:

1. ADMINISTRATION \$32,427

a. Management Fees \$22,374

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 \$1,650.00 per month, inclusive of all start up fees, plus the H.S.T. for a part time property manager for the community.

b. Insurance \$4,500

This amount covers all insurance costs, including fire (all risk), comprehensive general liability, all major equipment, and directors and officers liability coverage, as applicable, for the common element condominium. Please note that this insurance coverage does NOT cover any POTL. Each POTL owner must obtain their own insurance coverage for their own POTL.

c. Legal \$565

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 \$500 plus the H.S.T.

d. Audit \$5,577

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

The
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NOTES TO THE BUDGET

- e. Less Declarant Subsidy (\$2,788)

The initial cost of the Turnover Audit at the Contracted Price will be paid by the Declarant. The Declarant will pay the specified amount up to a maximum of \$2,468 plus the H.S.T. as stated in the Budget Notes above upon presentation of a valid invoice approved by the Condominium Corporation.

- e. Office Expenses \$2,000

This budgeted amount provides for any office expenses directly related to the operation of the corporation including the services of a minute taker for board meetings, various office supplies, photocopying, mailings, the annual general meeting, C.C.I membership, status certificates that may be required by the Declarant, bank charges and other such expenses.

- f. CAO Assessment & Regulatory Costs \$200

This provision has been made for the anticipated assessments and costs associated with the Condominium Authority of Ontario (CAO), the costs associated with mandatory licensing, and the cost of preparing newly mandated information certificates. This provision is an estimated cost and may vary.

2. UTILITIES \$6,400

- a. Electricity \$4,900

The budget is based on comparable property requirements and the current rates from the Brampton Hydro website of 8.8 cents per kilowatt hour and administrative/distribution charges have been escalated by 3% and compounded annually. The budget includes electricity for the common areas only such as for street lights. Each POTL will be separately metered or check metered and the cost of electricity to each POTL will be the responsibility of the respective unit owner and will not form part of the common expenses. Should the rates for hydro at time of registration be greater than 8.3 cents per kilowatt hour or the administrative/distribution charges have increased from current charges, then the budget will be adjusted accordingly to reflect the rates at the time of registration.

- b. Water \$1,500

The budget is based on comparable property requirements and the current rates from The Region of Peel of \$1.4490 per cubic metre and have been escalated by 3% and compounded annually. The budget includes water charges for the common areas only. Each POTL will be separately metered or sub metered and the cost of water and sewage to each POTL, will be the responsibility of each POTL owner and will not form part of the common expenses. Should the rates for water at time of registration be greater than \$2.8568 per cubic metre for water and waste water, then the budget will be adjusted accordingly to reflect the rates at the time of registration. In the event that sub metering of water is not permitted or cannot be implemented, then it would result in an increase in common expenses by an average of approximately \$41.40 per POTL per month and this amount would form part of the common expenses in the future.



NOTES TO THE BUDGET

3. CONSULTING \$0

a. Performance Audit \$5,650

The cost of the engineering study, to be conducted by the Declarant Board of Directors, to examine the common element areas during the first year. 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. 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.

b. Less Declarant Subsidy (\$5,650)

The initial cost of the Performance Audit at the Contracted Price will be paid by the Declarant. The Declarant will pay the specified amount up to a maximum of \$5,000 plus the H.S.T. as stated in the Budget Notes above upon presentation of a valid invoice approved by the Condominium Corporation.

4. MAINTENANCE & REPAIRS \$2,000

a. Repairs & Maintenance \$1,500

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. Maintenance Supplies \$500

This is the estimated cost for supplies, such as light bulbs, for the street lights.



NOTES TO THE BUDGET

- 5. CONTRACTS** **\$56,800**
- a. Landscaping and Snow Clearing \$56,800

The estimated cost to maintain the common element landscaping and plough snow and ice from the roadways in the winter from the common element road areas only. The provision does not include any landscaping, grounds care or snow clearing from the front of walkways, stairs and driveways as applicable, within any POTL. As such, snow clearing and all landscaping within each POTL will be the responsibility of the POTL owner.

III. CONTRIBUTION TO THE RESERVE FUND **\$19,525**

- a. Reserve Fund Provision \$15,570

The Condominium Act 1998 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% of the estimated operating expenses. Future allocations will be dictated by the reserve fund study, to be completed in the first year after registration.

- b. Reserve Fund Provision for Reserve Fund Study \$3,955

The Condominium Act 1998 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.

IV. GENERAL NOTES TO THE BUDGET

- a. The total common expenses of this proposed Condominium Corporation, including the provision to the reserve fund is \$117,153 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 \$3,500 plus H.S.T.; the cost of the Performance Audit is \$5,000 plus H.S.T. before the declarant subsidy; the cost of both the turn over and year end financial audits is \$4,935 plus H.S.T., before the declarant subsidy.
- c. The cost, type, level and frequency of services is detailed in the notes above.
- d. The monthly common element fee for each POTL is shown on the attached schedule to the Budget Statement.
- e. As stated in the notes above, 20% of the operating expenses will be paid into the reserve fund account. The provision is \$19,525.
- f. At the time of preparation of the Budget Statement, October 2019, there are no judgments, with respect to the property, against the Declarant nor is the Declarant Corporation a party to any lawsuit material to the within property.
- 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, except for easement and cost sharing expenses as stated above and in the Disclosure Statement.
- 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.

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NOTES TO THE BUDGET

- i. As at the date of the foregoing Budget, the Condominium Corporation has not been created and accordingly, there are no amounts in the Reserve Fund. At the end of the first year after registration, there should be \$15,570 in the reserve fund account.
- j. As at the date of the foregoing Budget, October 2019, the Condominium Corporation has not been created and accordingly, 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 Harmonized Sales 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. Inflation rate of 7.5% is to be applied per annum (unless otherwise stated) each year after December 31, 2022. Provided however, that due to the significant fluctuation in hydro and water utility rates recently, in respect to which the Declarant has no control, in the event that the relevant utility company/provider obtains relevant government approval for, or in any other way effects a significant annual increase in the utility rates above the assumed inflation rate of 3%, the Declarant reserves the right to revise the first year budget statement to reflect such significant increase in the cost of supplying these utilities from the relevant utility company/provider, and to provide each unit purchaser with a revised copy of the condominium Corporation's first year budget statement. In such event, purchasers acknowledge and agree that they shall be bound by such revised budget, and the acceptance of such revised budget should not be considered nor be construed as a material change to the Disclosure Statement.
- n. The Declaration contains a provision whereby during the first year following registration of the Declaration, the Declarant shall not be required to contribute to the payment of common expenses for a POTL until the registration of a Transfer of title from the Declarant for such POTL. Purchasers acknowledge that this may give rise to a deficit in the Budget for the first year following registration of the Declaration, however, the Purchaser acknowledges that the Declarant is responsible for any deficit in accordance with the provisions of Section 75 of the Act. In order to offset any such deficit, the Declarant will provide certain services set out in the Budget, as it determines, in its sole discretion, during the first year following registration of the Declaration, in order to reduce certain actual expenses to be incurred by the Corporation.



MONTHLY COMMON ELEMENT FEES

POTL NO.	POTL DESCRIPTION	MONTHLY COMMON ELEMENT FEES BY UNIT
1	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 1 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
2	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 2 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
3	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 3 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
4	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 4 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
5	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 5 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
6	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 6 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
7	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 7 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
8	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 8 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
9	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 9 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
10	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 1 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
11	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 11 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
12	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 12 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
13	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 13 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
14	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 14 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
15	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 15 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
16	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 16 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95



MONTHLY COMMON ELEMENT FEES

POTL NO.	POTL DESCRIPTION	MONTHLY COMMON ELEMENT FEES BY UNIT
65	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 65 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
66	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 66 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
67	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 67 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
68	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 68 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
69	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 69 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$99.95
70	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 70 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$416.50
71	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 71 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$490.00
72	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 72, 74 & 75 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$686.00
73	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 73 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$343.00
74	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 76 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$343.00
75	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 77 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$294.00
76	In the Town of Caledon, province of Ontario, being composed of part of Part of Blocks 98 & 99, Plan 43M-1855 and Part of Blocks 96 & 97, Plan 43M-2000, designated as PART 78 on Reference Plan 43R-XXXX being all of P.I.N. XXXX-XXXX (LT).	\$294.00
	TOTAL	\$9,763.05