

BRIDGEGATE ESTATES

PROPOSED BUDGET

**PROPOSED
VACANT LAND
CONDOMINIUM PLAN
BY WILL-O HOMES (C.S.) INC.**

Projected Expenses following Registration, Construction and Occupancy or Sale of Homes on all 8 Units based on Aug. 2020 dollars without any inflation factor:*	
Landscape maintenance (incl. grass cutting on units) and snow removal (common elements only)	\$4,068.00
Waste Removal	\$2,500.00
General Repairs and Maintenance	\$150.00
TOTAL	\$6,718.00
Hydro (common elements)	\$1,200.00
TOTAL	\$1,200.00
Insurance	\$2,160.00
TOTAL	\$2,160.00
Financial Audit and Legal Fees	\$3,390.00
CAO Fee	\$96.00
Bank Charges	\$300.00
TOTAL	\$3,886.00
Reserve Fund Study (Paid by Declarant)	\$0
Reserve Fund Provision	\$1,500.00
Performance Audit (Paid by Declarant)	\$0
TOTAL	\$1,500.00
TOTAL OPERATING EXPENSES	\$15,464.00
ESTIMATED COMMON EXPENSES PER UNIT PER MONTH*	\$161.08

*All figures, including totals, herein are estimates and are subject to the qualifications, limitations and other factors that may result in increases as set out in this Budget Statement). Those of the foregoing budget figures that are expected to attract Harmonized Sales Tax ("H.S.T.") include H.S.T. calculated at 13%.

GENERAL NOTES & COMMENTS

1. In this document, the term "Act" refers to the *Condominium Act, 1998* and the regulations made thereunder, as in force at the time of delivery of this budget statement.
2. This budget statement is provided to satisfy the requirement of the Act that the declarant provide a proposed budget for the first year of operation of the proposed condominium corporation.
3. A budget is only a "best estimate" of expenses and cannot be expected to be exact in all respects. In particular, it should be noted that amounts are projected without the benefit of actual experience in the operation of this proposed condominium (since it has not existed before) and the line items represent anticipated expense items only. Although every effort has been made to be accurate and comprehensive in establishing this budget statement, actual expense items and amounts may vary from what is set out herein, and the declarant (while it retains control of the condominium) has the right to reallocate any surplus arising in respect of the amount allocated for any item to or amongst other item(s) at any time and from time to time.
4. The proposed condominium is a Vacant Land Condominium, as defined in the Act. This means the proposed condominium will come into existence at a time when no homes are constructed on the units.
5. The above table represents the projected budget for the condominium once all units are constructed with homes that are occupied. Prior to that time, the budget may experience some adjustments until all units are occupied or sold, although the differences cannot be determined with certainty at this time. Further, until a unit is occupied or sold, the Declarant is not required to contribute the unit's proportionate share of the common expenses, but these are to be shared equally amongst the owners of units that are already occupied or sold. (See Schedule D of the proposed declaration.) Notwithstanding this, prior to construction and sale or occupancy of all of the Units, the Declarant intends to cover the costs of lawn care/landscaping and snow removal for the property proportionate to the number of unsold and unoccupied units. For example, if 50 out of 71 units are unsold and unoccupied, and the corporation is billed \$200.00 for snow removal, the Declarant would be 50/71 of that cost, or approximately \$140.85. (This is an example of the math only, and may not represent an actual cost or contribution.) The amount payable by the Declarant will likely be determined on a regular basis from time to time, such as monthly or as invoices are received. (For practical purposes, the Declarant may pay the cost of

those invoices in full and then be reimbursed by the condominium as funds are available.) The payments due from the Declarant under this arrangement will be taken into account when determining the contributions to the common expenses payable by the owners prior to the time that all of the units are sold.

6. Once the condominium is registered (the Initial Registration) and a majority of the units have been sold and transferred to purchasers, the Declarant must turn over the control of the condominium to a new board of directors elected by the unit owners at the time. Therefore, notwithstanding this budget, if such elected board changes the budget and/or orders increases to or additional expenses and services, the actual costs of the condominium may be different than are set out herein. *The declarant shall not be responsible for any such changes that result in a revenue deficit or costs overage during the first year from registration of the condominium.*
7. This budget statement presumes the condominium will be managed effectively, such that unnecessary costs to do not arise, including without limitation that bills are paid in a prompt manner so that late fees and interest are not incurred.
8. There is no provision in this budget statement for insurance deductibles in the event of any insurable claim. If any claims are made and the condominium is responsible for the deductible, common expenses may increase to cover the same.
9. There has been no inflation factor assumed in the estimated budget amounts. Costs arising after August 2018 should be read and construed as automatically increased by 3.00% per annum (or the actual inflation rate at the time of such reading).
10. The budgeted operating costs do not include items of a major repair or replacement nature in respect of the common elements and assets of the Corporation. Common elements include everything within the condominium plan other than the units. Assets are those items that the condominium owns (currently anticipated to be *nil*). Such expenses will be anticipated in the Reserve Fund Study and funds therefore are collected into the Reserve Fund of the condominium.
11. Amounts set out for any line item in this budget statement may be reallocated to and amongst other line items at any time and from time to time and a deficiency or surplus in any particular line item does not necessarily reflect a deficiency or surplus in the budget overall.
12. Cash flows for the condominium may be temporarily affected in the initial months after registration due to the requirement to pay certain expenses up front, such as insurance premiums. This budget does not anticipate how such possible cash flow issues might affect assessments of common expenses at such periods, which shall predominantly be the responsibility of the condominium's board of directors to determine. Your agreement of purchase and sale provides for an adjustment in favour of the Declarant in the event it covers initial costs for the condominium.
13. After the first anniversary of registration, the condominium may experience increases in common expense amounts that could increase each unit's proportionate annual and monthly costs. This could be as a result of inflation, the recommendations set out in the statutorily mandated first year Reserve Fund Study, and other factors that affect common expenses out of and in the ordinary course. Such increases are also outside of the control and responsibility of the Declarant and cannot be contemplated in this type of budget statement.

PARTICULARS OF THE EXTENT OF TYPE, LEVEL AND FREQUENCY OF SERVICES

Landscape Maintenance and Snow Removal \$4,068.00

Pursuant to the declaration of the condominium, unit owners are responsible for grass cutting, lawn care and landscape maintenance of the yard areas within their own units, including watering. As well, unit owners are responsible for clearing of snow and ice from the unit driveways, sidewalks, and walkways. The condominium shall be responsible for grass cutting and general landscape maintenance of the common elements. This estimate does not take into account extraordinary climate conditions or other than normal growing conditions and seasons. Furthermore, the condominium is responsible for removal of snow and ice from the roadway and sidewalks within the common elements. This estimate does not take into account extraordinary climate conditions.

Waste Removal \$2,500.00

Garbage and recycling will be picked up by a private contractor.

General Repairs and Maintenance \$150.00

This is the estimated costs for incidental repairs to the common elements during the first year of operation of the condominium that are not covered by any applicable warranties or any other entries herein. Such costs may

increase in future years as the property ages and is used.

Hydro (common elements) \$1,200.00

This represents the estimated costs for electricity in relation to the street lighting for the common element roadway, as well as expected environmental surcharges imposed by the province, municipality and/or utility supplier.

Insurance \$6,000.00

This represents the estimated cost of the minimum coverage required to be carried by the condominium by the Act:

- for directors, officers liability coverage;
- for damage to the common elements caused by major perils defined by the Act on a replacement cost basis subject to a reasonable deductible.

Note that, Unit Owners are responsible at their own expense to carry insurance coverage for:

- damage to all unit components;
- deductibles, liability coverage as occupiers of the unit;
- contents;
- coverage that the declaration, by-laws and/or any agreements require they carry; and
- such other coverage that it is prudent for a condominium unit owner to carry.

It is up to the unit owner to verify the limits of the condominium's coverage and to determine what additional coverage the unit owner should carry. In a Vacant Land Condominium Corporation, the condominium is not responsible to insure the units.

Financial Audit and Legal Fees \$3,390.00

This is the estimated cost of the audit that is to be turned over to the condominium within 60 days following the turnover meeting and an amount to cover the costs of seeking legal advice on a few minor matters from time to time (it is not anticipated there would be much cause for legal services during this period). This amount does not include the cost of the audit that the Act requires after the end of the first fiscal year, which properly should be included in the condominium's second-year budget that its board of directors will prepare.

CAO Fee \$96.00

This represents the costs required to keep the condominium enrolled with the Condominium Authority of Ontario at the cost of \$1/unit/month.

Bank Charges \$300.00

This represents the anticipated cost of bank fees relating to the accounts (minimum of two) that the condominium is required to maintain pursuant to the Act.

Reserve Fund Study (\$2,260.00)

The Act states that a condominium corporation must maintain a Reserve Fund in a special account for the major repair and replacement of common elements and assets of the condominium, and that a Reserve Fund Study must be undertaken to determine the correct amount to be contributed to the fund. The cost of the Reserve Fund Study is not included in the Total Operating Expenses because it is an extraordinary expense which the Declarant has undertaken to pay.

Performance Audit (\$1,500.00)

The Act requires that a performance audit be conducted by a professional engineer or architect within 6 to 10 months following registration of the Initial Registration (and for each subsequent phase within 6 to 10 months following registration of such phase). The purpose of this audit is to determine the condition of the common elements following registration, and to assist the condominium in making any warranty claims that are appropriate and applicable. The cost of the Performance Audit is not included in the Total Operating Expenses because it is an extraordinary expense which the Declarant has undertaken to pay.

OTHER STATEMENTS

1. There are no current or expected fees, charges, rents or other revenue to be paid to or by the condominium corporation or by any of the unit owners for the use of the common elements.
2. There are no services that are not included in this budget statement that the Declarant provides, or expenses

that the declarant pays, that might reasonably be expected to become, at any subsequent time, a common expense.

3. The Declarant has no actual knowledge of any pending law suits material to property that will comprise the units, common elements and assets of the Corporation that may affect such property after the registration of a deed to a unit from the Declarant to a purchaser.