

**HALTON STANDARD CONDOMINIUM CORPORATION  
APPLEBY GARDENS CONDOMINIUMS  
5001 CORPORATE DRIVE, BURLINGTON, ONTARIO  
BUDGET ITEM EXPLANATORY NOTES**

**I. INDIVIDUAL UNIT COMMON EXPENSES**

The monthly common expenses for each unit are determined by the unit's percentage contribution of common expenses as described in Schedule to the Declaration, which will result in the monthly common expense charge for each particular unit.

**II. OPERATING EXPENSES**

**A. ADMINISTRATION - \$30,935.00**

1. Audit Fees

The Condominium Act of Ontario requires all Condominiums to have the services of a professional Auditor at the end of the first year, following registration of the Corporation.

2. CCI Membership

Allocation of funds for membership with the Canadian Condominium Institute servicing Condominium Corporations throughout the Province of Ontario.

3. Legal

Provision has been made for the appointment of legal counsel for the Corporation at the discretion of the Board of Directors. Periodically, the Corporation may wish to retain outside consultants for various purposes.

4. Loan Interest

As provided for in the Disclosure Statement, the Corporation shall lease both the garbage compactor and the Mechanical Equipment that services the common elements of the building.

The garbage compactor lease is based upon a total leased amount of \$22,000 amortized over ten years at an 8% interest rate.

The Mechanical Equipment is based upon a total leased amount of \$78,000 amortized over ten years at an 8% interest rate.

This account category only provides for the interest portion owing on these leases.

5. Loan Payments

This account category represents the principal payments on the leases for the garbage compactor and the Mechanical Equipment named above.

6. Office

This is the estimated cost of holding annual or special meetings, during the year, together with the cost of office supplies for notices, newsletter, etc.

7. Performance Audit and Reserve Fund Study

The Condominium Act of Ontario requires every condominium corporation to establish a proper reserve fund in order to deal with the repairs and replacements of the major items on the property (i.e. roofs) in the future. This is the budgeted cost to prepare a comprehensive reserve fund study for the establishment of the fund by a professional consulting engineer.

The Declarant has provided appropriate funds subject to Board approval to hire an engineer to complete a Performance Audit of the common elements, which includes but is not limited to the building structure, building cladding, roofs, etc.

The Declarant will be subsidizing the cost of this Audit and Reserve Fund Study in the first year in an effort to reduce common element expenses in the first year budget.

**B. CONTRACT SERVICES - \$69,500.00**

1. Cleaning

This is the provision within the budget for the cleaning services for a janitorial company to clean the common elements of the building on a basis of five services per week.

2. Elevator

Service contract to maintain the elevator. The maintenance agreement is in compliance with Ontario Legislation for servicing and maintenance of elevators.

3. Elevator Licensing and Inspections

The elevator requires a license, which is renewed on a yearly basis. Inspections are undertaken on a twice yearly basis.

4. Fire Hydrant Maintenance

A requirement of the Condominium Act is that all hydrants within the site be checked on a regular basis.

5. Fire Monitoring

The building will be monitored via phone line 24 hours per day, seven days per week by a certified alarm monitoring company. This company will in direct communication with emergency service personnel should the alarms be activated.

6. Fire Protection

A requirement of the City of Burlington Fire Department is to have the life safety systems within the building tested on a monthly basis by trained and certified personnel. This account allocation provides for a monthly inspection of the common elements and an annual inspection of all common element equipment.

7. Landscaping/ Snow Removal

Estimated cost for the maintenance of all landscaped areas and snow plowing of roadways, walkways and visitors parking lot, sanding and salting included.

The Declarant will be subsidizing the cost of this account category the first year in an effort to reduce common element expenses in the first year budget.

8. Management

The budget provides for an experienced professional condominium management company to administer the affairs of the condominium corporation.

9. Mechanical

Service agreement designed for regular inspections, change of filters, etc. of all equipment servicing the common elements.

10. Pest Control

Cost of bulk services for interior and exterior services of all units and common elements.

11. Window Cleaning

A provision has been included in this budget for at least one cleaning of all exterior inaccessible windows.

**C. INSURANCE - \$8,000.00**

1. Building (All Risks \$ 10 million)

The building will be insured for its replacement cost under an all-risk insurance policy, which is typical in the industry. The policy includes appropriate boiler and machinery coverage.

Liability

The comprehensive general liability insurance coverage for the corporation will be in the amount of \$5,000,000.

Director & Officers

The coverage for Directors' and Officers' Insurance for the corporation will be in the amount of \$3,000,000.

**D. REPAIRS AND REPLACEMENT - \$4,200.00**1. Building General

Estimated costs for minor repairs or improvements to the exterior or interior of the common elements not being the responsibility of the declarant.

2. Carpet Cleaning

Provision for the cleaning of carpets in common areas of the building if deemed necessary by the Board and/or management.

3. Electrical

Estimated costs for minor electrical repairs as may be deemed necessary by the Board and/or manager not covered under warranty.

4. Garage

Estimated costs for minor garage door repairs and cleaning as may be necessary which are not covered under warranty.

5. Irrigation

This account provides for the opening and closing of the onsite irrigation system for the property.

6. Keys and Locks

Servicing by a locksmith, should it be deemed necessary for the maintenance and changing or repairing of locks and/or keys in the common areas of the building.

7. Plumbing

Estimated costs for minor plumbing repairs as may be deemed necessary by the Board and/or manager not covered under warranty.

**E. SUPPLIES - \$1,800.00**1. Cleaning, Lighting and Miscellaneous Tools, Etc.

Purchase of supplies for cleaning and bulb replacement.

**F. UTILITIES - \$62,000.00**1. Gas

Estimated cost for supply of natural gas to the mechanical and heating equipment servicing the building.

2. Hydro

Estimated cost of electrical charges for interior and exterior common element lighting, mechanical equipment, etc and also servicing the ramp heating system.

3. Telephone

Telephone costs for the intercom system as well as emergency telephone in the elevator. Provision has also been made for a telephone for the Superintendent.

4. Water & Sewer

Estimated cost for the supply of water and appropriate sewer charges servicing the building.

**G. CONTRIBUTION TO THE RESERVE FUND - \$17,644.00**

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 Act requires that a Reserve Fund Study be conducted prior to the conclusion of the first year of the Corporation. In the absence of this study the amount has been set at 10% of the total operating expenses. Future funds will be dictated by the reserve fund study, to be completed in the first year of registration.

**NOTE** All references to supplies and materials necessary for building and ground maintenance and repairs are for the purchase only for such supplies and materials which will be used during the year to which this budget relates.

All the items included in this budget relate to the common areas only and do not relate to any area within any unit.

This budget includes only ordinary repairs to, and maintenance of, the common elements and does not include any repairs or maintenance required as a result of abuse, vandalism or theft.

**MISCELLANEOUS MATTERS**

1. The Declarant has no actual knowledge of any judgment against the Condominium Corporation to be created by the Declarant, nor does it have any actual knowledge of any pending law suits to which the Condominium Corporation is a party.
2. There are no current or expected fees or charges to be paid by unit owners, or any of them, for the use of the common elements or part thereof and other facilities related to the property. Fees and charges, however, may be established in this regard by the Board of Directors elected by unit owners (purchasers) after the Condominium Corporation is created and sales of units are completed to individual purchasers.

3. There are no services that Halton Standard Condominium Corporation \_\_\_\_\_ provides or for which it pays that might reasonably be expected will become a common expense at any subsequent time.
4. There are no reserve funds nor will there be any reserve funds established for the Condominium Corporation with the exception only of the reserve fund described in the Budget Statement for common expenses for the year following registration of the Declaration and Description.
5. Assumed Inflation Rate unless otherwise stated is 5%, and if registration of the Declaration and Description occurs after January 2015, then the Budget Statement shall be read as increased by an inflation rate of 5% per annum.
6. HST at the time of presentation of this budget is 13%. If this rate is to increase in the future all amounts in this budget will be increased by the same amount equal to the HST rate increase.

**BUDGET STATEMENT**  
**HALTON STANDARD CONDOMINIUM CORPORATION**  
**5001 CORPORATE DRIVE**  
**BURLINGTON, ONTARIO**

**FOR THE COMMON EXPENSES FOR THE ONE YEAR PERIOD**  
**IMMEDIATELY FOLLOWING THE REGISTRATION OF THE**  
**DECLARATION AND THE DESCRIPTION**

<u><b>ADMINISTRATION</b></u>	<u><b>Amount \$</b></u>
Audit	1,500
CCI Membership	185
Legal	750
Loan Interest - Boiler and Compactor	9,000
Loan Payments - Boiler and Compactor	10,000
Office	2,000
Performance Audit and Reserve Fund Study	7,500
	<u><b>30,935</b></u>
<u><b>CONTRACTS</b></u>	
Cleaning/ Janitorial	22,000
Elevator	6,000
Elevator Licensing	500
Fire Hydrant Mtnc.	500
Fire Monitoring	1,500
Fire Protection	2,000
Landscaping	7,000
Management	18,000
Mechanical	8,000
Pest Control	1,000
Window Cleaning	3,000
	<u><b>69,500</b></u>
<u><b>INSURANCE</b></u>	
Insurance	8,000
	<u><b>8,000</b></u>
<u><b>REPAIRS &amp; MAINTENANCE</b></u>	
Building & General	600
Carpet Cleaning	600
Electrical	600

Garage	600
Irrigation	600
Keys & Locks	600
Plumbing	600
	<u>4,200</u>

**SUPPLIES**

Cleaning	600
General	600
Lighting	600
	<u>1,800</u>

**UTILITIES**

Gas	25,000
Hydro	25,000
Telephone	2,000
Water & Sewer	10,000
	<u>62,000</u>

**SUBTOTAL EXPENSES**

176,435

Transfer To Reserve

17,644

**DEVELOPER SUBSIDY**

Performance Audit and Reserve Fund Study	(7,000)
Landscaping	(7,000)

**TOTAL COMMON EXPENSES**

180,079

Per month per SQF

\$ 0.34