

CREEKSIDE TRAILS

800 MYERS ROAD

PROPOSED WATERLOO STANDARD PHASED CONDOMINIUM PLAN

Projected First Year Expenses for Creekside Trails

For first year after registration of:	Projected Expenses following Registration of (16) Residential Units based on June 2022 dollars without any inflation factor	Projected Expenses following First Amendment Phase Registration for a total of Thirty-Six (36) Residential Units based on June 2022 dollars without any inflation factor
Landscape maintenance/snow clearing (contract)	\$24,500.00	\$48,000.00
Landscape maintenance (non-contract)	\$750.00	\$1,500.00
Snow clearing (non-contract)	\$750.00	\$750.00
Misc. Repairs (including building maintenance and/or repairs)	\$500.00	\$2,000.00
Waste Removal	\$2,000.00	\$4,000.00
Electricity (common elements only)	\$40.00	\$40.00
Public Liability & Property Damage (Common elements, assets and Standard Units only) and Property Manager, Directors' and Officers' Insurance	\$9,324.00	\$20,978.00
Financial Audit and Legal Fees	\$2,500.00	\$5,000.00
Management Fees	\$7,800.00	\$13,000.00
Office & Meetings	\$900.00	\$1,500.00
Bank Charges	\$300.00	\$300.00
CAO Fees	\$192.00	\$432.00
CCI Membership	\$102.00	\$153.00
Reserve Fund Study	Paid out of Reserve Fund	Paid out of Reserve Fund
Performance Audit	\$6,000.00	\$15,000.00
Total Operating Expenses	\$55,658.00	\$112,653.00
Contribution to Reserve Fund	\$15,000.00	\$40,000.00
Total Common Expenses subject to the qualifications, limitations and factors that may result in an increase as set out in this Budget Statement	\$70,658.00	\$152,653.00
Estimated common expenses per Residential Unit per month, subject to the qualifications, limitations and factors that may result in an increase as set out in this Budget Statement	\$368.01	\$353.36

*Those of the foregoing budget figures which are expected to attract Harmonized Sales Tax ("H.S.T.") include H.S.T. calculated at 13%.

Introductory Comments

In the following notes and comments 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.

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.

This budget relates only to the first year following the Initial Registration of the Condominium, which is reflected in the Initial Registration column (second of three columns) of the table on the previous page. The second column of projected expenses based on the expectation that there will be thirty-six (36) Residential Dwelling Units in the condominium as a whole following registration of the first and final phase is provided for information purposes only and does not extend the Declarant’s obligations under Section 75 of the Act beyond the first year following the Initial Registration.

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.

Once the condominium is registered 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.

This budget statement presumes the condominium will be managed effectively, such that unnecessary costs do not arise, including without limitation that bills are paid in a prompt manner so that late fees and interest are not incurred.

Comments Regarding Registration Of The Condominium In Phases

In addition to the Initial Registration which shall contain sixteen (16) Residential Units, one additional phase will be registered over time to bring the total number of Residential Units within this condominium plan to thirty-six (36). It is anticipated there will be 8 to 12 months between this subsequent phase and the registration of the Initial Registration. The time period set out above between the Initial Registration and the registration of the subsequent phase is an estimate only.

As it is anticipated that there will not be a one-year period between Initial Registration and First Phase Registration, the projected amounts set out in this budget may inevitably require adjustments.

For the balance of the first year after the registration of the Initial Registration, which creates the condominium with the Initial Registration, the Declarant anticipates that the Corporation’s expenses will be overall proportionate in respect of any of the Residential Units contemplated for the remaining phase that may be added to the condominium during the first year after registration of the Initial Registration. It is expected that during the first year, the per unit per month common expense amounts will decrease for the sixteen (16) Residential Units in the Initial Registration if the addition of the subsequent phase occurs within the first year. Some budget figures may increase greater than proportionately and others less than proportionately, but the overall per unit proportionate common expenses amount is expected to decrease as a result of the registration of the additional phase during the first year after Initial Registration.

Having said that, once fifty percent of the Initial Registration Residential Units have been sold and transferred to Purchasers, the Declarant must turn over the control of the Corporation to a new unit owner elected Board of Directors. This can occur early in the first year after registration of the Initial Registration. If such Board,

- changes the Budget and/or,
- orders increases to or additional expenses and services and/or,
- does not effectively manage the Corporation, the unit owners, and the services suppliers and contractors,

the common expenses of the Corporation could change and, as a result, the per unit per month common expense payments may increase. Any such increases are out of the control of the Declarant and responsibility of the Declarant.

As well, cash flows may be temporarily affected in the initial months after the Initial Registration and the registration of any of the subsequent phases due to the requirement to pay certain expenses up front, such as insurance premiums.

After the anniversary of the Initial Registration, the Unit Owners in the condominium (and any unit Owners of additional units in the subsequent phase) may experience increases in the per unit per month common expense amounts. This could be as a result of costs inflation, the mandatory first year Reserve Fund Studies recommendations 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.

Major Repair And Replacement Of Common Elements And Assets Of Corporation From Reserve Funds

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.

Other Factors That May Increase Common Expenses And Other Amounts Not Budgeted For That, If Incurred, May Increase Common Expenses During The First Years After Registration Of The Declaration And An Amendment Adding An Additional Phase And General Notes Regarding Re Allocation Between Budget Items And Phases

The Declarant has the right to reallocate any surplus amounts in any Budget Item or Items to and amongst other Budget Items at any time and from time to time and to reallocate surplus amounts from any phase of the budget to and amongst other Budget Items for any other phase of the Budget at any time and from time to time.

There is no provision in this Budget for insurance deductibles. If any claims are made and the Corporation is responsible for the deductible, common expenses may increase to cover the same.

There has been no inflation factor assumed in the Operating Cost amounts.

Percentages Attributable To Units In Schedule A

Schedule A to this Budget Statement sets out the per unit percentages for the monthly contributions to the common expenses and reserve fund of the corporation for the Initial Registration.

At this time, Schedule D of the proposed declaration includes only the Initial Registration. As the remaining Residential Units are added to the condominium in the subsequent phase, Schedule D to the declaration will be amended to reflect the additional units, but the percentages of the Residential Units contributions to common expenses will remain equal to each other.

Monthly Common Expense Amounts

The projected amounts to be paid monthly as set out in Schedule A hereto are estimates in June 2022 dollars for common expense amounts for the first year after the Initial Registration is registered. These amounts assume that these sixteen (16) Residential Units will have been registered for a full year before an additional phase is added, which may not be the case.

As noted elsewhere in this Budget Statement, the amounts in Schedule A may increase as this project is being phased and as a result of factors beyond the control of the Declarant. In addition to such factors that may result in increases noted elsewhere in this Budget Statement, including those that can occur after the Declarant turns over control of the Board to the unit owners, the figures in this Budget Statement and Schedule A will also be subject to:

- inflationary increases;
- increases as a result of any Reserve Fund Study recommendations;
- increases as a result of the incurrence of costs not budgeted for in this Budget;
- increases for applicable sales and excise taxes unless noted as included;

and other factors affecting the common expenses out of and in the ordinary course and not contemplated in this Budget Statement.

NOTES ON EXTENT OF TYPE, LEVEL AND FREQUENCY OF SERVICES

Note that the first column figures are on account of the Initial Registration only and the second column is for information purposes only and is an estimate of the costs in June 2022 dollars to operate the condominium once all thirty-six (36) Residential Units are registered. The budget for the condominium at such time will be established by the unit owner board of directors, not the Declarant.

Operating Expenses

Landscaping/Snow Clearing (Contract)	\$24,500.00	\$48,000.00
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This represents the cost of regular maintenance of:

- all common element and Residential Unit lawns;
- all Declarant installed common element area trees and shrubs;
- annually supplied and installed flowers and associated soil beds on non-exclusive use common elements during the summer months;

as well as spring and fall cleanup of all common element areas.

Also included in this item is the clearing of snow from the common element roadway, walkway, and parking areas, and the associated supply and application of salt and sand on pavement and concrete as required other than as set out herein and/or in the declaration and/or disclosure statement.

These estimates do not take into account extraordinary climate conditions, heavier and more frequent than usual snow and ice conditions or other than normal growing conditions and seasons.

The Corporation is responsible for the cutting of grass and the weeding and maintenance of Declarant installed plantings in the common elements and for the maintenance repair and replacement of any irrigation system put in place by the Declarant or the Corporation to service the common elements.

Landscape (Non-Contract)	\$750.00	\$1,500.00
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This represents the cost of incidental maintenance of the common element grounds areas which is not included in the regular maintenance contract.

Snow clearing (Non-Contract)	\$750.00	\$750.00
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This represents the cost of incidental snow clearing of the common element areas which is not included in the regular maintenance contract.

Misc. Repairs (including any building maintenance and/or repairs)	\$500.00	\$2,000.00
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This is the estimated costs for incidental repairs to the common elements that are not covered by any applicable warranties, including hydrant testing.

Note that, and without limiting the restrictions and requirements of the declaration, Unit Owners are responsible for and at their own expense to maintain and repair (including repair or replacement after wear and tear and/or damage) such Unit Owner's Unit and all improvements to such Unit and everything therein and all components of and systems servicing such Unit (whether inside or outside the Unit boundaries).

Waste Removal	\$2,000	\$6,000.00
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Waste collection for the Initial Registration is expected to be picked up bi-weekly by a private contractor. Once the additional phase is added, waste collection is expected to be picked up weekly.

Electricity (common elements only)	\$40.00	\$40.00
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This represents the estimated cost of electricity for the common element lighting.

Public Liability & Property Damage (Common elements, assets and Standard Units only) and Property Manager, Directors' and Officers' Insurance	\$9,324.00	\$20,978.00
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This represents the estimated cost of the minimum coverage required to be carried by the Corporation by the Act and its Bylaw:

- for directors, officers liability coverage and Property Manager liability coverage required by the

Management Agreement;

- 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 and exclusive use common element areas appurtenant to their unit;
- contents;
- coverage that the declaration, By-laws and/or any Indemnity 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 Corporation's coverage and to determine what additional coverage the Unit Owner should carry.

Financial Audit and Legal Fees	\$2,500.00	\$5,000.00
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This is the estimated cost of the audit that is to be turned over to the condominium within 60 days following the turnover meeting as well as the cost of the audit that the Act requires after the end of the fiscal year and an amount to cover the costs of seeking legal advice on a few minor matters.

Management Fees	\$7,800.00	\$13,000.00
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Payable to the Edwards Community Management Inc. for the specific management services set out in its contract. Additional requirements over and above the basic contracted services are not budgeted for.

Office & Meetings	\$900.00	\$1,500.00
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This represents the cost of one annual meeting and miscellaneous communications, telephone, courier, postage and stationery.

Bank Charges	\$300.00	\$300.00
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This represents the cost of bank fees, including PAP charges.

CAO Fees	\$192.00	\$432.00
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This represents the required annual fee payable to the Condominium Authority of Ontario based on \$1.00 per unit per month.

CCI Membership	\$102.00	\$153.00
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This represents the annual membership fees payable to the Canadian Condominium Institute.

Reserve Fund Study	Paid From Reserve Fund	Paid from Reserve Fund
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The Act states that a new condominium corporation must commission a Reserve Fund Study for the Initial Registration within the first year after registration of the Initial Registration and for each subsequent phase within the first year after registration of each subsequent phase. The cost of the Reserve Fund Study(ies) will be paid out of the Reserve Fund.

Performance Audit	\$6,000.00	\$15,000.00
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The Act requires that a performance audit to 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 each subsequent phase. As this Condominium is to be phased, additional performance audits may be required after the registration of the Initial Registration.

Contribution to Reserve Fund	\$15,000.00	\$40,000.00
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The Act defines the Reserve Fund as a fund to be set up by the Corporation in a special account for the major repair and replacement of common elements and assets of the Corporation. This figure also includes, as noted above, the costs of preparing the Reserve Fund Studies. This figure is an estimate only. The actual contribution may vary considerably from this estimate, as it will be based on the results of a reserve fund study to be conducted within

the first year following registration of the Initial Registration creating the condominium.

CLOSING STATEMENTS

1. 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.
2. 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 unit owners for the use of the common elements or other facilities related to such property.
3. There are no services which are not included in this Budget Statement that the Declarant provides, or expenses that the Declarant pays, and that might reasonably be expected to become, at any subsequent time, a common expense.
4. The amount projected to be in the Reserve Fund for the Corporation at the end of the first year after registration of the Initial Registration is expected to be \$15,000.00 (less the cost of any Reserve Fund Study).
5. No reserve fund study has been completed at the time of the preparation of this budget. The contribution to the Corporation's Reserve Fund amount in this Budget Statement is an estimate only. The actual amount required, based on a properly completed Reserve Fund Study, may vary considerably from this estimate.
6. The portion of the total common expenses to be paid into the reserve fund for the Initial Registration is 21.23%.
7. The portion of the total common expenses to be paid into the reserve fund once all units are registered is projected to be 26.20%, although the actual percentage will be determined by the Reserve Fund Study conducted by the condominium corporation following registration and the plan that arises therefrom.

General Inflation Factor

The Budget statement incorporates an assumed inflation factor of 0.00%; (utilities inflation is dealt with below) based on an assumed Initial Registration date of the fall of 2022. Knowing that a subsequent phase will be registered at a later date, this Budget Statement (and all figures reflecting expenses set forth herein) must be read and construed as automatically being increased by 3.00% per annum or the actual inflation rate in the particular Budget items after registration of the initial registration.

Utilities Inflation Factor

The Budget statement incorporates an assumed inflation factor of 0.00 % for utilities. As electricity costs are anticipated to increase, increases in electricity costs will need to be added to the Budget from time to time and will result in increased common expenses relative to this item. Other utilities costs are also anticipated to increase annually and the increases will have to be added to the Budget from time to time. All figures reflecting utilities costs must be read and construed as automatically being increased as indicated resulting in higher common expenses relative to these items.

Unit Percentages Variations

In the Declaration and any subsequent phase Amendment, a Unit's percentage share of common expenses and interest will vary due to the varying numbers of total Units but will remain in the same proportion relative to other comparable Units registered. The percentages may vary minutely in order to ensure the totals are 100.00 % as required by the Act.

**Common Expenses per Residential Unit for the Initial Registration
of Sixteen (16) Residential Units**

Unit Number	Level	Contribution to Common Expenses	Monthly Operating Portion (Rounded)	Monthly Reserve Fund Portion (Rounded)	Total Monthly Common Expense Contribution (Rounded)
1	1	6.25%	\$289.88	\$78.13	\$368.01
2	1	6.25%	\$289.88	\$78.13	\$368.01
3	1	6.25%	\$289.88	\$78.13	\$368.01
4	1	6.25%	\$289.88	\$78.13	\$368.01
5	1	6.25%	\$289.88	\$78.13	\$368.01
6	1	6.25%	\$289.88	\$78.13	\$368.01
7	1	6.25%	\$289.88	\$78.13	\$368.01
8	1	6.25%	\$289.88	\$78.13	\$368.01
1	A	6.25%	\$289.88	\$78.13	\$368.01
2	A	6.25%	\$289.88	\$78.13	\$368.01
3	A	6.25%	\$289.88	\$78.13	\$368.01
4	A	6.25%	\$289.88	\$78.13	\$368.01
5	A	6.25%	\$289.88	\$78.13	\$368.01
6	A	6.25%	\$289.88	\$78.13	\$368.01
7	A	6.25%	\$289.88	\$78.13	\$368.01
8	A	6.25%	\$289.88	\$78.13	\$368.01
TOTAL		100.00	\$4,538.08	\$1,250.08	\$5,888.16

Common Expenses per Residential Unit for the Initial Registration of Sixteen (16) Residential Units plus the First and Final Phase Registration of Twenty (20) Residential Units

Unit Number	Level	Contribution to Common Expenses	Monthly Operating Portion (Rounded)	Monthly Reserve Fund Portion (Rounded)	Total Monthly Common Expense Contribution (Rounded)
1	1	2.78	\$260.78	\$92.58	\$353.36
2	1	2.78	\$260.78	\$92.58	\$353.36
3	1	2.78	\$260.78	\$92.58	\$353.36
4	1	2.78	\$260.78	\$92.58	\$353.36
5	1	2.78	\$260.78	\$92.58	\$353.36
6	1	2.78	\$260.78	\$92.58	\$353.36
7	1	2.78	\$260.78	\$92.58	\$353.36
8	1	2.78	\$260.78	\$92.58	\$353.36
9	1	2.78	\$260.78	\$92.58	\$353.36
10	1	2.78	\$260.78	\$92.58	\$353.36
11	1	2.78	\$260.78	\$92.58	\$353.36
12	1	2.78	\$260.78	\$92.58	\$353.36
13	1	2.78	\$260.78	\$92.58	\$353.36
14	1	2.78	\$260.78	\$92.58	\$353.36
15	1	2.78	\$260.78	\$92.58	\$353.36
16	1	2.78	\$260.78	\$92.58	\$353.36
17	1	2.78	\$260.78	\$92.58	\$353.36
18	1	2.78	\$260.78	\$92.58	\$353.36
1	A	2.78	\$260.78	\$92.58	\$353.36
2	A	2.78	\$260.78	\$92.58	\$353.36
3	A	2.78	\$260.78	\$92.58	\$353.36
4	A	2.78	\$260.78	\$92.58	\$353.36
5	A	2.78	\$260.78	\$92.58	\$353.36
6	A	2.78	\$260.78	\$92.58	\$353.36
7	A	2.78	\$260.78	\$92.58	\$353.36
8	A	2.78	\$260.78	\$92.58	\$353.36
9	A	2.78	\$260.78	\$92.58	\$353.36
10	A	2.78	\$260.78	\$92.58	\$353.36
11	A	2.77	\$260.78	\$92.58	\$353.36
12	A	2.77	\$260.78	\$92.58	\$353.36
13	A	2.77	\$260.78	\$92.58	\$353.36
14	A	2.77	\$260.78	\$92.58	\$353.36
15	A	2.77	\$260.78	\$92.58	\$353.36
16	A	2.77	\$260.78	\$92.58	\$353.36
17	A	2.77	\$260.78	\$92.58	\$353.36
18	A	2.77	\$260.78	\$92.58	\$353.36
TOTAL		100.00	\$9,388.08	\$3,332.88	\$12,720.96