MINUTES OF THE FIRST BOARD OF DIRECTORS MEETING
FOR
HALTON COMMON ELEMENT CONDOMINIUM CORPORATION NO.626
On October 3, 2014 at 9:30am

PRESENT:

Colin Watson - Director
Don Grigor - Director
Brian Mckay - Director

Management: Matt Newton
FirstService Residential

1. INTRODUCTION
Management presented the Agenda and after introductions it was agreed that Matt Newton would chair the first meeting.

2. CALL TO ORDER
Being a quorum of Directors present, having been given adequate and proper notice of the meeting, the meeting was called to order at 9:45AM.

3. DETERMINATION OF OFFICERS
Management reviewed the Code of Ethics recommended by the Canadian Condominium Institute and recommended that it be considered at the next Board meeting.

It was resolved and unanimously agreed that the positions would be as follows:
Director – Colin Watson
Director – Don Grigor
Director – Brian Mckay

4. RECORDING OF MINUTES
Management explained the necessity of recording the transactions of the board meetings and the need to keep minutes as the corporate records. Management discussed the manager’s role with respect to the Corporation’s responsibilities. Management recommended the hiring of an independent recorder. Costs are estimated between $160 and $220 per meeting.

5. ITEMS DISCUSSED
Management explained that not all home owner information is up to date and accurate, advises Condo Board to pursue each home owner and have them fill out a resident information sheet.

Management provided 2 cheque to the condo board as part of the operating expense and reserve fund until Oct15-20, 2014 when all financial information will be exchanged. Management also provided a cheque for the retainer fee of the Turnover Audit.

6. CORPORATION’S AUDITOR
Section 43 (7) of the Act, requires the Declarant to give the Board, what is called, a sixty-Day Audit. This is an audited financial statement, representing the period from Registration March 18, 2014 to the end of the month in which the turnover meeting happened which would be August 31, 2104. The audit should be provided within 60 days of the month end. The cost of this Audit and the year-end is borne by the Corporation and is provided for in the first year budget in the amount of $ 2,800 plus H.S.T.
The Declarant did not appoint an auditor. Management presented quotes for the turnover audit and year end audit for the Board’s review as follows with the price including the filing of tax returns and attendance at AGM:

<table>
<thead>
<tr>
<th>Auditor</th>
<th>Turnover Cost</th>
<th>Year End Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug Spence</td>
<td>$750.00</td>
<td>$2,000.00</td>
<td>$2,750.00 plus HST</td>
</tr>
<tr>
<td>Ralph Lando Orvitz</td>
<td>$950.00</td>
<td>$1,900.00</td>
<td>$2,850.00 plus HST</td>
</tr>
<tr>
<td>Polyzotis &amp; Co. LLP</td>
<td>$1,500.00</td>
<td>$2,2500.00</td>
<td>$3,700.00 plus HST</td>
</tr>
<tr>
<td>Buttle &amp; Travano</td>
<td>$900.00</td>
<td>$1,900.00</td>
<td>$2,800.00 plus HST</td>
</tr>
</tbody>
</table>

Regarding the Auditor recommendation, the three directors recommend that we proceed with Buttle & Travano based on their 2nd year guarantee of the pricing.

7. **SELECTION OF SOLICITOR**
Management presented a list of condominium lawyers for review and discussion. Colin knows of a lawyer to use.

8. **FISCAL YEAR-END**
It is stated in By-law No. 1, Article 9, states that the year-end for the Corporation be the month preceding the month of registration.

Registration occurred on **March 18, 2014** and the fiscal year end has been set at **February 28, 2015** to avoid filing of two tax returns.

9. **SIGNING OFFICERS**
In most cases, all Directors are given signing authority, with the understanding that the Treasurer is the person who would most often be called upon for signature. However, in his/her absence, any one of the Directors may be required to sign a cheque. Utilities are set up for pre-authorized payments to ensure late payments fees are not incurred.

There are three options with regard to the signing of corporation cheques:

1) Have two Directors sign each cheque
2) Have two FirstService Residential authorized officers sign each cheque
3) Have one Director and one FirstService Residential authorized officer sign each cheque

The corporation has two bank accounts held at the HSBC bank, one for operating and one for the reserve funds. Each of the bank accounts pays interest at 1.9% less than prime on the average daily balance.

10. **STATUS CERTIFICATES, NOTICE OF LIENS**
Management reviewed the Status Certificate process and signing authority as per By-law # 1 as well as the collection procedure and Notice of Lien.

The Notice of Lien is issued automatically after the second month of arrears and a lien is registered before the end of the third month of arrears unless otherwise directed by the board. FirstService Residential charges owners a fee of $150 plus applicable tax for each Notice of Lien issued.
11. **CONSULTING ENGINEERS AND PERFORMANCE AUDIT**

The Condominium Act provides that the Corporation must have a Performance Audit performed between the 6 month September 18, 2014 and 10th month January 18, 2015 after registration and the Reserve Fund Study performed before the first year-end.

The operating budget allocates $3,955.00 for the Performance Audit and $3,955.00 for the Reserve Fund Study.

Management has pre-qualified and performed the tender process, as outlined in the binders. Engineering firms have been invited to submit quotes. FirstService recommends EXP Services Inc at a cost of $2,147.00 for the PA $1,017.00 for the RFS, for a total of $3,164.00

12. **INSURANCE** Budget $4,300 from March 18, 2014 to March 18, 2015

- Property Insurance in the amount of $740,000
- General Liability $5,000,000
- Directors and Officers Liability $5,000,000
- Deductible $2,500 Standard
  - $5,000 Sewer Backup
  - $5,000 Flood
  - $50,000 Resultant Damage, Builder Defect.
  - $50,000 Earthquake

The D & O was discussed and management presented the application for signature.

Management discussed the need for an insurance appraisal and recommended that it be done. Management presented a quote from Suncorp for $1,300 who will provide a 10% discount as a result of our ability to bulk purchase. Cost to corporation is $1,170. This includes a three year annual update to accommodate the corporation’s obligation to have a new appraisal in three years.

13. **SAFEKEEPING OF CONDOMINIUM DOCUMENTS**

Management advised that they have received some of the turnover documents from the developer. A letter has been sent confirming receipt and advising what is outstanding. Documents will be stored on site, until the end of our management agreement. Fernbrook will provide minute book, and as Built.

14. **DISCLOSURE OF CONTRACTS**

Section 111, 112, 113 of the Act provides that all contracts entered into by the Declarant may be terminated within the first year by giving the party 60 days written notice.

Management provided a contract control summary and copies of all contracts entered into on behalf of the corporation.

Management advised that some contracts are still in process and will be provided once executed.

The Corporation is a member of the CCI Toronto and Area Chapter and management encouraged all board members to take the CCI directors courses.
15. **DISCUSSION REGARDING DECLARATION, BYLAWS, RULES AND CONTRACTS**

16. **OTHER BUSINESS**

FirstService Residential Management Agreement expires September 30, 2014. It has been determined that H.C.E.C.C. 626 has decided to become self managed. All of the above items mentioned have been discussed and any outstanding money will be handed over to the board member by October 15-20, 2014. FirstService will continue to provide support role for the month of October to ensure a smooth and effective transition for the condo.

HCECC 626 list of questions
Handing over all financial documents October 15-20, 2014.
Handing over Status Certificates October 15-20, 2014
Handing over all PDF/computer files.

Getting complete list of unit owners name and address
Speak to Fernbrook about more fire route signs, street light, grading, exterior color schedule

How to respond/ act towards other units owners and violations. (residents using visitors parking, un kept lawn care)

17. **DATE OF NEXT MEETING**

The date of the next board meeting will take place on October 15-20, 2014.

18. **CLOSE OF MEETING**

Motion made and seconded and carried unanimously, it was agreed that there being no further business of the Corporation to transact, the meeting be terminated at 11:45 a.m.

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Director:                     Director:

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Director:

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Date: