

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

MINUTES OF THE ANNUAL GENERAL MEETING

WEDNESDAY, JUNE 27, 2001

PRESENT: James Dubro - President
Joe DeFoa - Treasurer
Greg Geralde - Secretary
Malcolm Broadbent - Director
Trevor Wheeler - Director

GUESTS: Dave Sanderson - Partner,
McGovern, Hurley, Cunningham, LLP
Bob Gracey - Graemore Construction Services
Sheila Ainslie - Recording Secretary
Kim Herbeck - Assistant Recording Secretary

1. CALL TO ORDER

There being a quorum, James Dubro, the President, called the meeting to order at 7:30 p.m.

2. INTRODUCTIONS

James Dubro welcomed and thanked everyone for attending and introduced the head table as noted above.

3. DECLARATIONS

James Dubro reported that 38 units were represented 29 in person and 9 by proxy, thus establishing a quorum.

Represented in person were suites 2A, 2B, 3A, 3B, 3C, 3D, 4B, 4C, 4D, 5A, 6D, 7C, 7D, 8B, 8D, 9B, 9C, 10C, 11A, 11B, 11D, 12A, 14A, 14B, 14C, 14D, 15C, PH-B, PH-C.

Represented by Proxy were suites 6C, 7A, 8C, 10A, 10B, 12B, 12D, 15A, PH-A.

4. SCRUTINEERS

The following volunteers offered their services as scrutineers.

Mrs. D. Turner Suite 2B
Mr. J. Lidolt Suite 3B

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5. PROOF OF NOTICE

James Dubro reported that the Notice of the Meeting was sent to all owners and that a copy of the Proof of Notice was available at the head table for anyone wishing to view the document.

6. APPROVAL OF MINUTES

A motion was made by Mazen Haddad, Suite 4B and seconded by James Turner, Suite 2B to adopt the minutes of the Annual General Meeting of June 20, 2000, without changes. Motion carried.

7. EXTERNAL COATING

James Dubro stated that there have been two special meetings with regard to the external repair which also dealt with the coating as an element of that issue. The first meeting was on February 15, 2001, with the Board and Bob Gracey, our consultant, in attendance. The second meeting was held on April 2, 2001, and was called to accommodate the schedules of some owners who were not available for the first meeting, as well as address the concerns of owners who continued to have questions.

There were two requisitions received to postpone the external repair work however, neither was technically valid. One requisition was received by e-mail and unsigned while a subsequent requisition was signed by two owners then in arrears for common element payments. The Board sought legal advice and was counseled that the work should continue as it was not possible to postpone work then in progress.

At this point in the meeting it was agreed by the Board to set aside the then following 30 minutes to discuss the coating issue again.

For future reference, James Dubro stated that in order to requisition a special meeting, one must gather 15% of the owners' signatures, state in writing the specific purpose of the meeting and ensure none of the owners requisitioning the meeting are in arrears at the time of the requisition. Upon delivery of this document to the Board, a meeting will be arranged within thirty days of receipt.

John Gilroy, Suite 4C, stated that he had purchased his condominium in 1997 and until the issue of the external coating, was very pleased with the way the building was run. Mr. Gilroy has initiated several discussions with professionals and experts with regard to the coating and it is his contention that the coating will convert a no-maintenance external surface to a high-maintenance one. Mr. Gilroy also stated that the work being done is seemingly haphazard and that the color was not chosen by experts to properly match the current concrete color of the building.

Citing many Grade 'A' buildings along Bloor St. as examples of unpainted concrete buildings, Mr. Gilroy went on to say that a competent owner would not paint a concrete building under any circumstances. He was dismayed that the work had gone ahead regardless of the complaints and has many concerns about the future cost to remove or reapply the coating.

Trevor Wheeler pointed out that the Reserve Fund Study calls for re-painting and/or coating on the outside of the building. Mr. Wheeler also wished to make it clear that Mr. Gracey was not chosen by him to serve as the building's consultant on this project.

Joe DeFoa reported that Bob Gracey was brought to his attention during reference checks on another, unrelated contractor last autumn. Mr. Gracie came highly recommended by Dell Management.

John Gilroy interjected that three of the experts he spoke with are from Dell Management. The experts had discussed with him the issues of painting insulating walls and the problems that occurred because of coating at the Avoca buildings.

Bob Gracey was introduced and asked to respond to what has been said to date on this matter.

Mr. Gracey stated that he was engaged to review the outside of 256 Jarvis and found that there was minor structural damage to the outside of the building and that the concrete was coming off in places. There was also a general caulking failure affecting most of the joints around the windows and pre-cast, all of which was consistent with what he would expect to see in a 20 year old building.

In addition, there were some cracks in the pre-cast panels on the west side of the building and intensive cracking around the structural pre-cast walls on the second, third and rooftop walls. A budget was then given to Trevor Wheeler including the cost of re-coating over the existing surface. Mr. Gracey stated that within 2-3 months after the building was erected, a cement wash coating was applied, as is standard procedure. Having worked for Dell Management for 15 years, he regarded this coating a customary procedure on all Grade 'A' buildings.

Mazen Haddad, Suite 4B requested an approximate date for completion of the work. Mr. Gracey stated that the work has been sporadic due to the weather. In May, the men who worked off swing stages had strong wind as a factor, followed by days of rain. This was followed by the intense heat Toronto has experienced lately, all of which made it difficult to work with the caulking materials, which tend to gum up in the heat. The new estimated completion date is the end of July.

Albert Sarthou, Suite 11D inquired about what would happen if in 3-5 years it is discovered that Mr. Gilroy was right and Mr. Gracey was wrong. He wanted to know who would be bear the financial responsibility of correcting this wrong. James Dubro responded that the owners of condominiums are financially responsible in the long run.

Trevor Wheeler explained that applying the coating now rather than when it was due according to the Reserve Study was a financially responsible decision as it avoided the additional labour cost of bringing in a crew solely for the coating application. Bob Gracey concurred.

Mazen Haddad thanked the Board for showing interest on behalf of the owners to get the professional opinions necessary to evaluate and complete this type of work. He believes that due diligence was followed in this matter.

James Dubro stated that having spoken to the lawyers, it is clear a binding vote cannot be held on this topic, and the only option would be to hold a straw vote. The owners present indicated they did not wish to hold a straw vote.

Henry Ramer, Suite 14C asked what color the outside of the building will be upon completion. Mr. Wheeler cited a sample of the colour on an outside wall of the building.

8. PRESIDENT'S REPORT

James Dubro reported on the following:

- The halls have been completed.
- All exterior work is progressing.
- An innovation suggested by Malcolm Broadbent, referred to as the Anti-Loitering Devices, were implemented and have proven to be very successful.
- The lighting standard should be back up before the fall.

9. AUDITORS REPORT

Joe DeFoa introduced Mr. Dave Sanderson of the firm McGovern, Hurley, Cunningham to present the Auditor's Report and Audited Financial Statements. Mr. Sanderson noted his firm was pleased to issue a clean report. Mr. Sanderson noted that everyone had received a copy of the financial statements for the year ending December 31, 2000, and gave particular attention to the Balance Sheet and the State of the Reserve Fund.

Albert Sarthou, Suite 11D asked whether the balance of the Reserve Fund was being maintained at the necessary level. Mr. Sanderson confirmed that 10% of the budgeted annual expenses were allocated to the reserve and that this condominium, as it has in most years, usually budgeted more than the required 10%. Approximately 12% in the year 2000 went to the reserve as opposed to the 10.2% allocated in 1999. Mr. Sanderson confirmed the amount and growth of the Reserve Fund.

10. TREASURER'S REPORT

Joe DeFoa highlighted some of the savings enjoyed since 1998 with respect to utilities. In 1998, a contract was signed with the Buying Group which extended natural gas savings through 2003. To date, approximately \$27,000 has been saved and with current rates as high as they are, the expected savings in 2001 could be as much as an additional \$34,000. The Board has extended the gas contract to 2005 and intends to pursue opportunities for savings on electricity once that utility becomes deregulated.

Joe DeFoa paid particular attention to the expenses for interior and exterior renovation and explained the internal controls that were in place over expenditures.

Beyond that, the major expenses were painting the stairwells (\$13,000) and replacing broken seals on windows (\$6,000).

Operating Expenses came in \$23,000 below budget and about \$3,000 below that of 1999.

On the subject of the Reserve Fund, Joe DeFoa reported that at the end of the year there was \$198,709 in reserve, which had decreased by \$36,000 from 1999. The total budget for the hallway renovations was \$90,000 but came in \$10,000 over budget, due to work in the front lobby as well as the P1 and P2 levels.

Mr. DeFoa went on to say that the Reserve Fund Study predicted that in 2001, \$35,000 would be spent on the hallways and \$10,000 in 1998, which was not done, giving a total of \$45,000. The Board provided for more funds to complete the work, \$90,000, as it believed a higher amount was justified to renovate the hallways to a standard comparable to other downtown condominiums. After adjusting the Reserve Fund balance recommended in the Reserve Fund Study to reflect this accelerated timetable, and after including the \$18,000 surplus held in the general fund, the Reserve Fund balance in 2000 is above the recommended amount by approximately \$20,000.

Mr. DeFoa addressed the issue of internal controls, noting that a careful review of cleared cheques, enforcing the requirement for two signatures on all cheques along with appropriate supporting documentation and the monthly reconciliation of bank statements were among numerous controls diligently followed in his capacity as Treasurer.

Mr. DeFoa discussed the possibility of pre-authorized withdrawal and Greg Geralde's suggestion of electronic communication for the future. Forms expressing interest were available at the Head Table and more information will be circulated once interest level is ascertained.

Mr. DeFoa stated that if an owner wishes to add or modify the Condominium's Registered Owner List, the Corporation is duty bound to require written documentation supporting the change and a change cannot be affected until that information is supplied.

A motion was made by William Edwards, Suite 6D and seconded by Henry Ramer, Suite 14C to accept the Audited Financial Statements for the year ending December 31, 2000, as presented. Motion carried.

A brief discussion ensued regarding an unsigned document which was circulated in the building. The Board wished to make clear that no discussion will be entertained regarding what may or may not have been contained in that or any other unsigned document. Further, the only purpose in raising the issue is to make it clear that such a practice is inappropriate and will be ruled out of order. The owners were in complete agreement with the position of the Board in this matter.

Claus Wall, Suite 14A stated that he has complete confidence that the proper financial controls are in place and that this Board is holding its own with respect to comparative condominium Boards around the city.

James Dubro advised that as there is no Management Company operating on behalf of the condominium, there is a greater workload for the Board of Directors.

11. ELECTIONS

A motion was made by Mazen Haddad, Suite 4B and seconded by Claus Wall, Suite 14A for a resolution to re-appoint Dave Sanderson as Auditor. Motion carried.

James Dubro called for a motion to allow proxies to be used in the election. The motion was made by Mr. Ellison, Suite 7C and was seconded by Mr. Wall, Suite 14A. A vote was then held in the room by show of hands and witnessed by the scrutineers. Motion carried.

Mr. Dubro reported that there were two positions open on the Board, each for a term of three years.

<u>NOMINEE</u>	<u>NOMINATED BY:</u>	<u>SECONDED BY:</u>
James Dubro Suite 3B	Jan Oddie Suite 7D	Stanley Solomon Suite PH-C
John Anderson Suite 3A	Eileen Page Suite 5A	Alberto Sarthou Suite 11D
Trevor Wheeler Suite 15C	Mazen Haddad Suite 4B	Diane Turner Suite 2B

Greg Geralde confirmed that all nine proxies were distributed to the people indicated according to the specific instructions on the proxies.

All nominees agreed to stand for office.

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Stanley Solomon, Suite PH-C thanked the Board for all their hard work, recognizing all of which is done on a volunteer basis. He would like to move that an honorarium in the amount of \$1,500 be given to these individuals who work so hard. James Dubro thanked Mr. Solomon for his kind gesture but stated that legally all owners would have to be present to vote on this particular motion.

RESULTS OF THE ELECTIONS

James Dubro reported that James Dubro and Trevor Wheeler had been reelected to the Board of Directors of M.T.C.C. 600 each for a term of three years.

12. OTHER BUSINESS

An owner asked if the building would be two colors or one. Mr. Dubro stated only one.

An owner asked about the storage lockers. Trevor Wheeler responded that the matter would be tabled in a future meeting, as it will require a major vote with a two-thirds required to pass.

Eileen Page, Suite 5A asked about the dirty areas of the building such as the stairwells and recreation room. Her letters have gone unanswered. Malcolm Broadbent assured her that upgrades to these areas will be addressed.

Mr. Solomon mentioned to all that he requires an extra parking spot if there is one to let.

Everyone in the room thanked Jan Oddie for her wonderful work on the flowers.

James Dubro thanked the Board and recording secretary for a good job.

13. ADJOURNMENT

A motion was made by James Dubro and seconded by James Duncan, Suite PH-B that there being no further business to discuss, the meeting be adjourned. Motion carried. The meeting was adjournment 8:57 p.m.