

NEWSLETTER

**KINGS GATE CONDOMINIUM CORPORATION
(KGCC)**

JANUARY 2014

INTRODUCTION

Since our Newsletter in August 2013 there are a number of updates to pass along to you. As we said in August our main objective is to create a safe, secure, and enjoyable environment for owner/occupants and to ensure the long term financial health of Kings Gate Condominiums, and we continue with this commitment with your assistance.

As your Board, we would also like to take this opportunity to wish you and your families a prosperous New Year.

Regards

Kings Gate Condominium Corporation Board

THE KGCC BOARD AND THE KGCCS MANAGEMENT COMPANY

A complete list of your Board Members is as follows.

1. Strat Canning, Board member scanning@canpitt.ca ; 754-1408
2. Peter Colbourne, Treasurer pcolbourne@jgcl.ca ; 579-4528
3. Gord Kelland , Board member gkelland@nl.rogers.com; 895-6413
4. Paul Hamilton, Vice President paul.hamilton@nl.rogers.com ; 753-7896
5. Ray Miller, President ray.millerconsulting@gmail.com ; 747-0398
6. Rick Power, Secretary randbpower@hotmail.com ; 730-8921
7. Dave Rudofsky, Board member dave.rudofsky@freedom55financial.com; 685-4791
8. Michelle Sullivan, Board member sullivan@mun.ca ; 576-7622
9. Raelene Thomas, Board member raelene@fourrholdings.com ; 728-0434
10. Robert Thomas, Board member robert@fourrholdings.com ; 728-0434

Our general e-mail address where you would reach all the Board members is: board@kings-gate.ca

Feel free to contact all or either of us at any time!

Realty Management Inc.

This company has managed the day to day operations of the KGCC from the outset. They are your first line of contact for any issues be it, safety, common area cleaning, maintenance, finances, etc. Our contact there is Marie Flood. Marie's phone number is 726-2300 and her e-mail address is marie@burkerealty.ca

KGCC - ANNUAL GENERAL MEETING

The Board had planned on having our Annual General Meeting (AGM) during this past fall. However, to ensure that we have the audited financial statements finalized and the required Reserve Fund Study completed we now anticipate having the AGM during the latter part of February 2014. We will be notifying the unit owners, of the date, time and location of the AGM in advance of this meeting; as well as providing copies of the pertinent documents, such as the audited financial statement and the Reserve Fund Study.

We encourage all owners, or their proxy representatives, to attend this very important meeting (especially this inaugural meeting), to get a complete update of the work and progress of the Board and openly discuss various topics.

KGCC By-Laws

We would like to bring your attention to the KGCC By-Laws which govern the operation of this Corporation and outline the unit owners/tenants responsibilities. You may wish to re-familiarize yourselves with these By-Laws so any issues of concern are discussed at the AGM. For example, the By-Laws provide definitions of the condo fees, the reserve fund amounts and contingency fees.

CONDO FEES, RESERVE FUND, CONTINGENCY FUND. WHERE YOUR MONEY GOES AND WHY IT'S IMPORTANT.

Condo Fees, Contingency Funds and Reserve funds are charges that all condominium owners must pay to keep the condominium building running and in good repair. These fees and funds help protect the significant investment you have made in your condominium.

In regard to KGCC the fiscal year ending September 30, 2013 was a transition year as the Developer was responsible for the normal operating costs through November 30, 2012. Any condo fees collected, pertaining to periods prior to December 1, 2012 were paid to the Developer by KGCC. Subsequent to November 30, 2012, KGCC was responsible for all of the common element expenses. The Developer remitted the monthly condo fees for any unsold units after the transition, such that KGCC was fully funded from December, 2012 to date.

Owning a unit in a condominium, like Kings Gate, means you must be aware of three key expenses:

1. Monthly common expenses
2. Reserve Fund amounts
3. Contingency Fund amounts

This article will help explain each, how it is used and why it is important. Let's go through these one at a time.

Monthly Common Expenses

Monthly common expenses cover the costs of keeping the building and common elements functioning and in good repair.

They also cover the operating costs of things like the Exercise Room, the Gathering Room and the parking garage.

The monthly expense for common elements includes the following items:

- Utilities – includes electricity and elevator telephone.
- Building Maintenance – includes garbage collection, security, elevator, sprinkler, pest control, cleaning, etc.
- Grounds Maintenance – includes grass cutting, plantings, snow clearing, etc.
- Admin. & Management – includes professional property management, insurance, legal/audit, etc.

Reserve Fund

- A portion of the condo fees collected each month is put aside to build up a Reserve Fund. Pursuant to the Newfoundland Condominium Act 2009 the Kings Gate Condominium Corporation must set up a Reserve Fund for the replacement/ refurbishment of common elements that will occur during the long term life of the building. These items would include and may not be limited to, the roof, exterior of the building, garage, sidewalks, sewers, heating, electrical, plumbing, elevators and other common elements. A Reserve

Fund reduces the risk that owners will need to pay a special assessment to make sudden major repairs.

Kings Gate Board has hired a qualified professional to conduct a Reserve Fund Study (RFS). This is a requirement of the Newfoundland Condominium Act and must be undertaken within the first year of incorporation and to prepare periodic updates of this document to ensure that everything is on track as time proceeds. The RFS is being finalized and includes the following:

- Recommendations on how much money is needed annually for the Reserve Fund,
- Includes a site inspection to estimate how long the major components of the condominium should last and to estimate replacement costs of each component,
- Recommends steps to help keep the condo property in good repair.

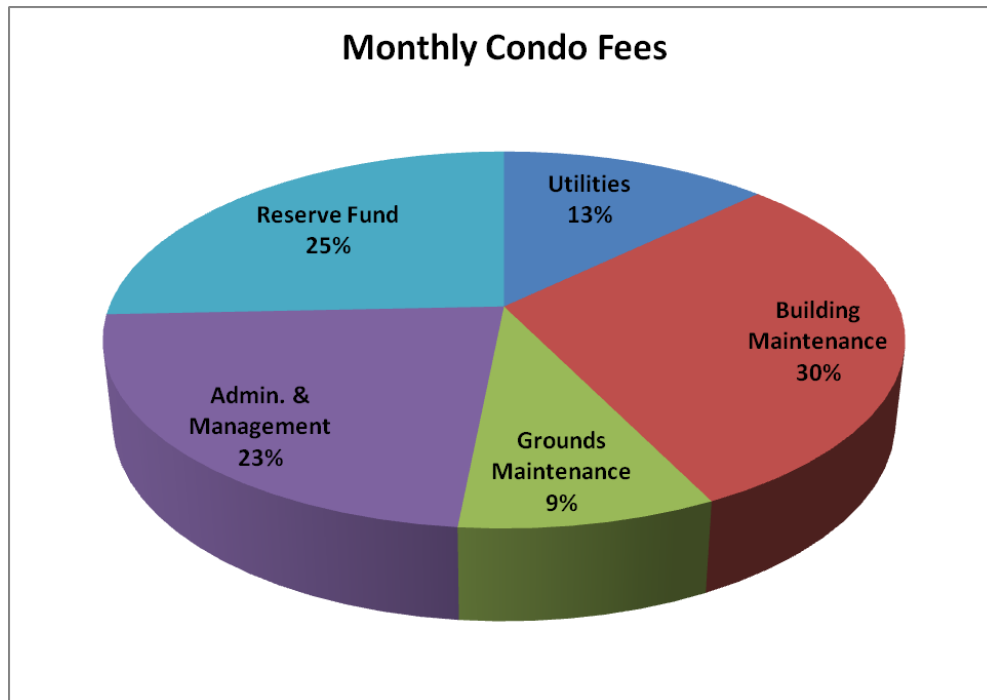
As noted above, the RFS provides recommendations regarding a reasonable amount of time to collect owners' contributions to fund the reserve. In the first year of our operation the contribution to the Reserve Fund did not have the benefit of the RFS. The amount put aside was set by the Developer at

\$10,400. As we go forward, the Reserve Fund must be resourced from monthly condo fees.

An upward adjustment will be required to achieve a more adequate, more realistic Reserve Fund, so that our future obligations are fully met from the Reserve Fund. The RFS and its recommendations will be circulated to all owners prior to the AGM.

The **Monthly Common Expenses** and monthly contributions to the **Reserve Fund**, both described above, are commonly referred to as your monthly **Condo Fees**.

A typical example of monthly Condo Fees broken down by item is shown below.



A Caution for Owners of Newly Built Condominiums

The owners of new condos are sometimes surprised to find increases in Condo Fees are necessary. This often happens because condo developers only estimate monthly expenses. It isn't until the board of directors takes over – and conducts the legally required initial RFS – that the true costs of maintaining the building can be more accurately quantified.

Contingency Fund

This third and final section describes the Contingency Fund. This Fund was established at the closing of each unit through the collection of an amount equal to 3 months condo fees. The balance in this Fund is currently just over \$28,000. The purpose of this Fund is to finance unanticipated operating expenses that might occur in any given year. It acts as a buffer to ensure that there is money in place to take care of any such eventualities. This differs from the Reserve Fund which is held for predictable long term repairs and replacements. The Contingency Fund is replenished when units are resold or by special assessment to the unit owners if there are shortfalls.

Why Does It Matter?

Keep in mind that some of your Condo Fees are used to cover monthly expenses and utilities in the building, but they're also designed to collect money in advance to ensure that owners are held equally responsible for their investment. If you own your own home, you won't be forced to set aside money each month just in case your home requires an expensive repair (although that's a good idea), but you will be on the hook if something goes wrong. In addition, Condo Fees often go toward paying for things you'd have to pay for as an owner of

any property, such as insurance. Without Condo Fees, there just could not be condos.

BUILDING DEFICIENCIES AND UNIT WARRANTY ITEMS

With respect to outstanding building deficiencies and warranty items, we are making progress. The outstanding building deficiency list includes:

- 1) construction of a garbage and recycling room,
- 2) replacement of a faulty light fixture in the hall on the 3rd floor,
- 3) plaster & painting around a sprinkler head on the 2nd floor,
- 4) completion of plumbing for the sink faucet in the 2nd floor Gathering Room,
- 5) hook-up for HRVs in the storage rooms.

We continue to work with the builder and the Developer to complete the outstanding items. With respect to individual unit deficiency and warranty issues, you should continue to communicate with Trevor Howell thowell@redwoodconstructio.ca to ensure all outstanding issues are addressed.

ENHANCEMENTS TO THE CONDOMINIUM PROPERTY

- After a year of use, we have engaged a painter to "freshen up" the common areas of the building. It is not a complete paint job but rather "touch - ups" to cover any items that due to wear and tear have become untidy. If you have any particular concerns in the common areas outside your unit please let us know, so that we may address them if possible. We are aware of some damage to the lower corner sections of the hallways which are likely the result of the use of vacuum cleaner cords. We have raised this matter with our management company and the building cleaners.
- We are looking into the purchase of "metal corner guards" for the corners near the elevator doors, which have been subject to some damage. The reason for these corner guards is to protect the plaster and paint in these areas. We are also costing "kick plates" for the two doors leading to the lobby from the garage for the same reason.
- We have installed "no parking" signs in our parking lot. These have been put in place for the convenience of you and your guests.

- You may have noticed that sea gulls no longer hold their meetings on our roof. That is because the new bird deterrent system has been installed and is working perfectly.
- Under an agreement with the Developer a table top has been made and installed for the pool table in the Gathering Room on the 2nd floor. This now allows for the pool table to be used as a boardroom table and for other such purposes. We take advantage of this for our monthly Board meetings. The Gathering Room and the Exercise Room are for the use of all unit owners/tenants and please use these rooms being mindful of other owners/tenants.
- The water has been hooked up in both the exercise room and the Gathering Room, and a water cooler is being installed in the Exercise Room.
- The full re-cycling program has not yet been set up because we are awaiting the completion of the garage garbage room. However, since September 2013 our garbage collection program has included the collection of certain recyclable material (bottles and cans) in accordance with to the City's requirements.

HEAT RECOVERY VENTILATORS (HRVS)

Each condo unit has a HRV to provide ventilation and help reduce humidity. The unit is a Venmar Constructo 1.0. Most tenants did not receive a manual with their unit so you can go to the Venmar website www.venmar.ca to download the manual. Tenants are responsible for the proper operation and maintenance of their respective unit as with any other appliance in their unit. There is likely a sticker on the corner of your unit with the contact information for a local firm that can maintain them. Basic maintenance of the unit is recommended every 6 months. This includes clearing the interior of the unit and the filters. Details on how to do this are included in the manual.

As mentioned, the key function of your HRV is to help control the humidity in your unit. The manual describes the recommended settings for summer versus the rest of the year. In general it recommends setting your desired humidity level and set the fan slide switch on low. If the humidity goes above this level the unit will automatically run at the higher speed. If the desired humidity level is being maintained at the lower speed setting then running at the higher speed simply uses more electricity. There is also a 20-minute boost button on the auxiliary control panels in bathrooms and kitchens should there

be a temporary need created. Pressing this button will cause the unit to run at the higher speed for 20 minutes and then return to the lower speed.

Proper maintenance and use of the Venmar as well as regular use of the boost and stove exhaust fans when cooking should help to reduce stale food odours in the hallways.

Each unit and owner has different ventilation requirements so you will need to determine your specific operating needs and adjust your settings accordingly. You should bear in mind that the longer the unit runs at the higher speed, it will consume more electricity, and therefore the monthly bill will be higher. For more complete directions on the operation and maintenance of your HRV unit in your condo, please refer to the User Manual available on-line at the Venmar website indicated above, or contact the contractor indicated on the sticker on your unit.

BUILDING POWER OUTAGES

We would like to bring your attention to a few issues with respect to the continuing power outages.

- DO NOT leave your vehicle running for any length of time in the garage as this is dangerous (e.g. carbon monoxide).
- When the power is interrupted the elevator will be out of order. If you are in the elevator at the time the power is interrupted please use the emergency phone to contact assistance.
- When the power is interrupted the garage doors will not operate with your garage door opener. The garage doors however may be opened/closed manually. To do this pull on the “ring” located in the motor which is in the ceiling in centre of the door chain. This releases the chain mechanism normally used to operate the door electrically. You can then lift the door manually to open. *Please* ensure you close the door after you open it so that snow does not blow in causing further problems and of course building security. When the power is on there are buttons on the right hand side of each door which allows you to open, close and stop the door.
- When the power is interrupted emergency lights are supposed to come on in each hallway, stairwell and the garage. This temporary lighting should last (when fully charged, as it is battery operated) for up to 2 hours. These emergency lights are now operating in an outage, except for

the 3rd floor hallway, its stairwell and a portion of the garage. For this latter problem we have been in contact with the management company to have this corrected.

Unfortunately until this is fixed we suggest you carry a flashlight during these outages when moving around the building.

- Your Fob provides access through the main door. During these power outages the Fobs will continue to operate under normal use for a period of up to 10 hours. This system too operates on a battery.

We apologize for the inconvenience, but we have no way of knowing when the power outages may again affect us. We are working through the issues as they arise and we are made aware of them. If you know of any issues which we should be aware of please do not hesitate to contact one of your Board members or our Management Company.

KINGS GATE, WINE AND WEEDS, GARDEN REPORT

Thank-you to all the residents, who participated in the **Wine and Weeds** event in September, 2013. With many hands and donated perennials, it only took 90 minutes to fully weed and plant approximately 80% of the space in the raised beds on the Belvedere Lane side of our building. Following the planting we enjoyed a Pot Luck Social. This is a great way to get to know your neighbours!!

We have also planted about 50 small naturalizing spring bulbs near the stone artefacts in the patio area. With any luck they will be the start of a blue Scillia carpet that will bloom in the early spring and then just multiply on their own in the years to come.

As we have not used any of the \$1000 budgeted for plantings by the builder, we will still have this full amount to continue the enhancement of the exterior of the building in the spring. Some flowering and evergreen shrubs are in the offing and perhaps a colourful planter for annuals!! Suggestions and participants are welcome.