

Associated Property Management Ltd.

Procedures For Owner/Developer

(Including S.P.A. Requirements)

Before Strata Lots are Conveyed (s 7 & 8):

- Owner developer must pay actual strata corporation expenses up to last day of the month of first conveyance of a strata lot(s 7)
- Owner developer may pass resolutions including amending bylaws without holding a Special General Meeting (SGM) (s 8)

After the First Conveyance but before the First Annual General Meeting (AGM) (s 9-24)

- Strata Corporation cannot enter into a contract or transaction with the owner developer or a non arm's length party unless approved by a unanimous vote at a SGM (s 10)
- All resolutions that require a $\frac{3}{4}$ vote will require a unanimous vote at a SGM (11.1) except the following which can be passed with a $\frac{3}{4}$ vote:
 - Bylaw amendments where all the strata lots are non-residential (s 127.2)
 - Bylaw amendments for the non-residential section where separate sections have been formed (s 127.4b)
 - Changes to the Rental Disclosure Statement (s 139.2b)
 - Must establish contingency reserve fund at the time of the first conveyance subject to the following:
 - If the first conveyance occurs within 1 year of the deposit of strata plan – 5%
 - If the 1st conveyance occurs later than 1 year after the deposit of strata plan – the lesser of 25% or 5% times the number of years or partial years since the deposit of the strata plan. (s 12)
- Prepare 12 month interim budget starting the 1st day of month following the first conveyance including the following:
 - A contingency reserve fund of at least 5%
 - A schedule showing operating expenses & contingency reserve allocations for each strata lot.
- Deliver a copy of the 12 month budget to each prospective purchaser. (s 13).
- Commence the payment of strata maintenance fees. (s 14.1 & 2).

Disclaimer:

This document has been produced for convenience only. Every effort has been made to ensure accuracy and completeness of the material, however Associated Property Management Ltd. does not guarantee its legal accuracy and does not accept responsibility for loss and inconvenience suffered by users as a result of inaccuracies. Please be advised that this material is not admissible in a court of law in accordance with the *Evidence Act*. For such purposes, official Queen's Printer copies of acts and regulations must be obtained.

Associated Property Management Ltd.

Procedures For Owner/Developer (Including S.P.A. Requirements)

Notice of the First Annual General Meeting:

- Hold the **first AGM** (at least 2 weeks written notice required)) **during the 6 week period that begins on the earlier of the date on which 50% plus one of the strata lots have been conveyed or 9 months after the date of the first conveyance of a strata lot (s 16)**. If delayed for 30 days after required date, penalty of \$1,000.00 & additional \$1,000.00 for each additional delay of 7 days (r 3.1(2a&b)). Sections 112 to 118 regarding collections applies to owner/developer (s 18).
- Must include in notice of the first AGM the following:
 - First annual budget (12 month period) starting the 1st day of month following the first AGM (s 21) containing the following:
 - A 10% contingency reserve fund (s 93 r 6.1).
 - Information within Section 103, Regulation 6.6 (different formulas for sharing expenses for separate types, sections, etc. should be identified separately in the budget):
 - Opening balance in the operating and contingency reserve fund
 - Estimated income from all sources other than strata fees, itemized by source
 - Estimated expenditures out of the operating fund, itemized by category of expenditure
 - Total of all contributions to the operating and contingency reserve fund
 - Each strata lot's monthly contribution to the operating & contingency reserve fund
 - Estimated balance in the operating and contingency reserve fund at the end of the fiscal year
 - Financial statements must contain information in Section 21, regulation 3.3(2) as follows:
 - Details of Strata Corporation's income from all sources from the 1st day of the period covered by the interim budget until a day within the 6 week period before the date of the 1st AGM.
 - Details of expenditures out of operating fund for the same period
 - Details of any expenditures and accrued expenses not included in the operating expenses estimated in the operating budget for the same period
 - Amount in the contingency reserve fund for the same period
 - Resolutions (s 45) (included the proposed wording) requiring a $\frac{3}{4}$ vote, a unanimous vote or a majority vote (i.e. budget).

Disclaimer:

This document has been produced for convenience only. Every effort has been made to ensure accuracy and completeness of the material, however Associated Property Management Ltd. does not guarantee its legal accuracy and does not accept responsibility for loss and inconvenience suffered by users as a result of inaccuracies. Please be advised that this material is not admissible in a court of law in accordance with the *Evidence Act*. For such purposes, official Queen's Printer copies of acts and regulations must be obtained.

Associated Property Management Ltd.

Procedures For Owner/Developer (Including S.P.A. Requirements)

At the First Annual General Meeting:

- Owner developer or Agent can chair the meeting and if unwilling or unable an individual elected by the eligible voter(s) 19)
- Must elect council for a term of one year (s 20.1)
- First Annual Budget must be approved by a resolution passed by majority vote (s 21.4). Proposed budget may be amended by a majority vote at the 1st AGM before budget is put to a vote (s 21.5)(
- Must provide copies of the following documents (s 20.2):
 - All plans that were required to obtain a building permit and any amendments to the building permit plans that were filed with the issuer of the building permit;
 - Any document in the owner developer's possession that indicates the actual location of a pipe, wire, cable, chute, duct or other facility for the passage or provision of systems or services, if the owner developer has reason to believe that the pipe, wire, cable, chute, duct or other facility is not located as shown on a plan or plan amendment filed with the issuer of the building permit.
 - All contracts entered into by or on behalf of the strata corporation.
 - Any disclosure statement require by Part 2 of the *Real Estate Act* or rental disclosure as per section 139 of this Act.
 - The registered strata plan as obtained from the land title office.
 - Names and addresses of the following (r 3.2):
 - The contractors or subcontractors primarily responsible for the supply of labour or materials to each of the following major components of the project:
 - The electrical system;
 - The heating system;
 - The plumbing system;
 - The elevators;
 - The exterior walls;
 - Windows and doors on the exterior of the building;
 - The roof
 - The building foundations;
 - Technical consultants, including building envelope specialists, if any, and
 - The project manager, if any.
 - All warranties, manuals, schematic drawings, operating instructions, service guides, manufacturer's documentation and other similar information respecting the construction, installation, operation, maintenance, repair and servicing of any common property or common assets, including any warranty information provided to the owner developer by a person referred to in Reg. 3.2
 - All records required to be prepared or retained by the strata corporation under Section 35 (this is an extensive list)

Disclaimer:

This document has been produced for convenience only. Every effort has been made to ensure accuracy and completeness of the material, however Associated Property Management Ltd. does not guarantee its legal accuracy and does not accept responsibility for loss and inconvenience suffered by users as a result of inaccuracies. Please be advised that this material is not admissible in a court of law in accordance with the *Evidence Act*. For such purposes, official Queen's Printer copies of acts and regulations must be obtained.

Associated Property Management Ltd.

Procedures For Owner/Developer (Including S.P.A. Requirements)

After the First Annual General Meeting:

- **Within 1 week after 1st AGM**, transfer control of funds to new council and turn over keys, garage door openers or other means of access (s 22).
- **Within 8 weeks after 1st AGM**, provide Strata Corporation financial statements updated to the effective date of the 1st annual budget and if no budget approved at the 1st AGM, update to date of 1st AGM (s 21.6)
- Owner developer pays deficit to strata **within 8 weeks after the 1st AGM** (s 14.4). If deficit greater than 10% but less than 20% pay 2 times the deficit, if more than 20%, pay 3 times the deficit (s 14.5 & r 3.1(1)). Sec 112 to 118 regarding collection procedures applies to the owner developer (s 18).
- If surplus, refund to owners unless no owner is entitled to more than \$100.00 in total, then the surplus may be deposited into the contingency reserve fund (s 14.6&7).
- Insurance placed by developer must continue for 4 weeks after 1st AGM (s 15)
- For 2 years after transferring control of funds to new council, owner developer must keep all financial records and make them available for inspection free of charge by the strata corporation (s 23).
- The management contract entered into by the owner developer on behalf of the strata corporation ends on the earlier of 4 weeks after the date of the 2nd AGM, or the termination date contained in the contract or agreed by the parties or with 2 months' notice passed by a ¾ vote. By majority vote at the 2nd AGM the contract may be continued (s 24).

Disclaimer:

This document has been produced for convenience only. Every effort has been made to ensure accuracy and completeness of the material, however Associated Property Management Ltd. does not guarantee its legal accuracy and does not accept responsibility for loss and inconvenience suffered by users as a result of inaccuracies. Please be advised that this material is not admissible in a court of law in accordance with the *Evidence Act*. For such purposes, official Queen's Printer copies of acts and regulations must be obtained.