

# Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-096

## Condo Smarts

Headline: Councils necessary

Topic: Appointment of administrator

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You live in a self-managed, 95-unit condo building valued at \$20 million. The annual budget is \$250,000, and there's \$500,000 in the reserve fund. At the annual general meeting, no one will stand for election to council. There have been conflicts and allegations between a group of owners and the current council, which have gone off the scale, and persuaded potential candidates that getting involved might be too much trouble.

One owner stands up and suggests not to worry because he has heard that if a council cannot be elected, the government will appoint someone to run our strata. The result is that, very shortly, owners discover that the strata has no one to collect funds, pay bills, sign forms or respond to any owners' or purchasers' requests. In effect, the situation has become a disaster. And no, the government will not step in to appoint someone to run your affairs. Strata legislation is self-regulating, so you, the owners, must take actions necessary for your protection, or appoint (and pay for) appropriate agents to take the responsibility for you.

**Strata Law:** The strata, or an owner, tenant, mortgagee or other person having an interest in a strata lot, may apply to the Supreme Court for the appointment of an administrator to exercise the powers and perform the duties of the strata corporation, if, in the court's opinion, the

appointment of an administrator is in the best interests of the strata corporation.

**Tips:** This scenario is becoming more common. Even if your strata has a manager, the inevitable will simply be delayed, because there are a number of tasks that only the council can perform and cannot be delegated to a manager.

If your strata has troubles, don't ignore them, which will create greater conflict. As a council or as an owner or group of owners you should get professional advice immediately. Get assistance in conducting a general or informational meeting of the owners. Seek legal counsel, and attempt to resolve the impasse quickly. An administrator is very expensive and this is your investment at risk.

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