

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-178

Condo Smarts

Headline: Strata Council in Legal dog fight

Topic: Legal fees

Publication date: May 21, 2006

Publication: The Province

Written by: Tony Gioventu

Dear Condo Smarts: A group of our strata owners have decided the recent series of ads showing the bank's hand in your pockets is the same as strata living.

Without our knowledge, our strata council several months ago decided to hire a lawyer to respond to a lawsuit that was filed against our strata council that resulted from them trying to force an owner to get rid of her dog.

We know she was exempt because the dog was there before the no-pet bylaw was passed, but how can council create such a disaster and have us sued over their vengeful behaviour?

We have just found out that so far they have run up over \$25,000 in legal bills.

We have virtually no reserves, so it's coming directly out of our pockets. Can we stop this?
-- Karen, The Kootenays

Dear Karen: Strata councils are often lulled into a sense of urgent confidentiality when it comes to law suits. For some reason they believe they should keep the circumstances confidential and proceed without any direction of the owners.

The *Strata Property Act* makes it clear that the strata must inform the owners as soon as feasible if it is sued. It may be necessary for your strata to immediately call a special general meeting to place the matter before the owners to decide.

There are a number of significant questions your owners would want to pose. Who is going to pay for the costs if the owners do not approve a special levy by 3/4 vote? Has the strata council contacted the insurer to file a claim? Is there a possibility to mediate this dispute and settle it quickly?

When a strata corporation receives notice it is being sued it should never ignore it.

Initially it should contact its lawyer to consult on what steps to take, notify the owners of the action, contact its insurer if applicable and consider the risks before it authorizes funds for the defense.

Don't let a law suit be part of a vendetta someone on council has been trying to settle for years. Yes, the owners can change course on a lawsuit. It may be necessary to go as far as removing council and electing a new council to find the solution.

For more information on CHOA resources and benefits visit www.choa.bc.ca
or contact the office at 1-877-353-2462 or email office@choa.bc.ca.

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.