

**Condo Smarts**

Headline: Condominium Service Agreements

Topic: Contracts

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Written by: Tony Gioventu

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**Dear Tony:** Our strata corporation on the sunshine coast has received an offer from a communications provider for the installation of a Fibre Optic Network. This offer requires us to sign an agreement that will force our strata and our owners into an exclusive agreement for a lengthy period. Several of our council members are concerned about signing such an agreement as we are concerned that it would have serious repercussions for our owners. Could you possibly explain the best approach to dealing with these agreements and the implications?

*Anne MacLachlan, Gibsons*

**Dear Anne:** Communication services and delivery models in multi family developments can be a significant source of conflict if they are not approved by the owners, and place the owners into obligations that they have not consented to. Whether it's SHAW, ROGERS or TELUS, all of the communications providers attempt to secure long term relationships so they can predict business models and support their investment of upgrading technologies and services across the province. However, this does not provide the service provider with the ability to impose conditions that are above the federal laws and regulations that apply to communications systems and services or the legislation that applies to Strata Corporations. This would include the Strata Property Act, Regulations and the bylaws of a strata corporation.

Dave Liden, a lawyer in Vancouver has represented many strata corporations in dealing with communication service providers. He has reviewed many contracts and they vary significantly depending on the services and the service provider. The contracts may contain exclusive agreements for service provision to the owners, long term license applications without the ability to renegotiate or renew, and the assignment of bylaw enforcement for property access to strata lots. All of these may be contrary to the interests of the strata corporation and may breach provisions of the federal communications

regulations. Dave's best advice: " The agreements may appear tempting on the surface, and the service provider may give you the impression that this is a standard form of agreement and everyone is signing on, but don't be lured into a false sense of comfort. In all likelihood, strata corporations who have accepted the standard agreement will not have read it, nor will they have sought legal advice. If it seems too good to be true, it always is. Your strata council represents the owners, and may be signing agreements that give away the owners' rights without their consent. For a contract that will run 10-50years, take a few extra days to consult with a lawyer over the agreement, with the expectation that the service provider should be able to cover those costs."

We often forget that our strata councils are volunteers. If the service provider is not encouraging you to seek legal advice on the contract before you sign it, then be suspicious. The underlying issue is you may be signing an owners' rights away to have the freedom to choose whichever service provider they want, and it eliminates the right of competition. Think before you sign. What we do today is always about tomorrow. The ability to retain open competition is essential for consumer protection and pricing. Join us next Wednesday December 11, at 6pm and share your holiday strata stories on AM650 Live Talk About Strata.

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