

## Strata Living

Headline: How Fines are Imposed

Topic: Bylaws; Fines, Form F

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**Dear Tony:** We sold our unit in February and the closing date is at the end of May. At the suggestion of our real estate agent, we requested a copy of a Form F payment certificate in advance so we would not have to pay rush charges. The strata corporations provided the form, but claim that we owe \$2,500 of unpaid fines. We are speechless as we have never received any complaints or notice about bylaw fines in the 5 years we have lived here. Can the strata corporation do this to a seller at the last minute? We have the sneaky suspicion that we are being scammed.

*Janice Freeman.*

**Dear Janice:** Before a strata corporation can fine or impose a penalty for the allegation of a bylaw violation or damages, they must first give the owner ( tenant & owner if there is a tenant ) a notice of complaint listing the particulars of the complaint and give the owner/tenant an opportunity to respond in writing or request a hearing to address the complaint with the council. As an owner you can demand a hearing and the strata corporation must respond writing with their decision within 7 days of the hearing. You are wise to obtain your Form F in advance. Most sellers leave it up to their agent or lawyer the day before and relinquish the ability to challenge the charges as the time has run out. A strata owner, faces such claims has some other

options however; they may pay the amount into trust to the strata corporation or into the courts commencing a dispute over the amount. I am reluctant to agree with your assessment of a potential; however, we occasionally see significant amounts paid out on transactions for fines, penalties and claims of damages, without any related reporting of these revenues in the subsequent annual financial report of the strata corporation. If there is a decision by council to impose fines, penalties such as interest, or the collection of damages to property or an insurance deductible, that decision should be easily found in the strata council minutes, and can easily be cross audited to the yearly financial statement. If you are facing this situation, demand all of the documentation relating to the alleged claims and demand a hearing to dispute the alleged charges. To protect your interest, a seller should request a Form F at the earliest convenience as it is valid for 60 days.

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