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VISOA Bulletin - NOVEMBER 2009

President's Report

Summer is now over and my wife and I spent it enjoyably, taking leisurely trips to the wonderful beaches and parks on Vancouver Island. We have three grandchildren, so these are very special experiences for us that are not to be missed. It's also a gentle reminder of some of the benefits of strata living. The ability to easily pack up and leave our suite and the freedom from maintenance chores means we have the time to spend with our grandchildren.

On October 6 the BC Government passed Bill 8 - The Strata Property Amendment Act, 2009, without amendment. The Official Opposition made a motion to put the Bill on hold for 6 months for public consultation, however the motion was voted down by Government Members including Vancouver Island MLAs Ida Chong, Murray Coell, Ron Cantelon and Don McRae. You can find a link to Bill 8 on our website. Although this Bill falls far short of what is needed and is not based on a transparent consultation process involving strata owners, it will affect all strata owners. The legislation will come into effect through regulations yet to be determined by the Government. This may occur in stages, with some parts of Bill 8 (such as changes to section 143 of the SPA) coming into effect on January 1, 2010 and other parts coming into effect later. Please watch our website for further updates.

Our seminars are always exciting events but the one we recently had in Nanaimo was right off the scale! We had 161 people in attendance, coming from Campbell River, Comox, Courtenay, Cowichan Bay, Duncan, Gabriola, Ladysmith, Lake Cowichan, Nanoose Bay, Parksville, Port Alberni, Qualicum Beach, Shawnigan Lake, Sidney, Victoria and West Vancouver. The topic was the "Nuts and Bolts of Strata Council" and we will likely give it again in Victoria.

Please remember to make a note of the upcoming seminar in Victoria. It is called "Planning for your Strata Depreciation, Who needs it, who reads it?" Proposed government changes to the *Strata Property Act* may mean that your strata is required to prepare depreciation reports -so this seminar could be a good introduction to this valuable planning tool. It's all happening on November 22 at the Victoria Pro Patria Legion.

- Tony Davis, President

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Editor's message

by Sandy Wagner, Bulletin Editor

This has been a busy few months for us at VISOA. We held a Seminar in Nanaimo in September, and attendance exceeded all our expectations. Our seminars are free for members and you took us up on it this time! Due to the very large audience we were unable to answer all the written questions in our allotted time, but made a commitment to answer them on our website. Your editors worked hard and got all 50 questions listed and answered, and posted to the website within 10 days as promised.

This leads me to ask for your help: What topics would you like to see for our seminars? We ask this question on all of our seminar evaluation forms and we really do try to accommodate your suggestions – keeping in mind that we are an all-volunteer, non-profit organization so we cannot pay for our speakers. Do you have a specific speaker you would like to hear? We hold 5 seminars each year, all at no cost to our members. Please email me at editor@visoa.bc.ca and share your seminar topic ideas.

Something else that had us all busy was the Strata Property Amendment Act – otherwise known as Bill 8. The Bill passed third reading shortly before the deadline for editing this Bulletin so a flurry of last-minute articles were written by our Board Members and Guest writers.

You might notice that this edition of the Bulletin does not have a "Green" article as promised. There was not room to include one with the large number of articles submitted for this issue. We do, however, have a feature on another sort of green, if you'll pardon the pun: mould. Dr. Bryce Kendrick has written an article on how to live with mould, if you have no options. With the recent cancellation of the HPO Loans for leaky condos, this may become reality for some of our readers. Dr. Kendrick's article is very timely and I'm sure you will find it interesting and informative.

And as always, we invite your comments and feedback. I hope to hear from you.

You asked:

What happens to left over special levy funds?

by Harvey Williams

Have a question about managing your strata corporation? Ask us, we've had a lot of experience helping strata corporations solve problems, perhaps we can help you. Questions may be rephrased to conceal the identity of the questioner and to improve clarity when necessary. We do not provide legal advice, and our answers should not be construed as such. However, we may and often will advise you to seek legal advice.

Question:

Last year we passed a special levy to re-shingle the roofs in our town house strata development. Our roofs are now done and there is enough money left over to paint our garage doors. Our contingency reserve fund is depleted and the garage doors are badly in need of paint. Is it OK for us to use excess funds for that purpose instead of returning it to the owners?

Answer:

The short answer to your question is, No!

Section 108 of the *Strata Property Act* requires that all funds raised by special levy must be used for the purpose set out in the resolution to approve the levy. Any amount that exceeds that required must be returned to the owners in proportion to the amount they contributed.

There is one exception to that requirement and that is if no owner is entitled to receive more than $100, the strata corporation may deposit that amount in the Contingency Reserve Fund. If even one owner is entitled to a refund of more than $100 the money must be returned.

This raises another issue suggested by a Helpline question. For some peculiar reason, a strata agent listed the excess amount of a special levy in the annual budget as income and the repayment of the money to owners as an expense. This is a completely unnecessary step, cluttering the budget and if the budget were defeated, this would result in a violation of the Act.

The obvious and proper way to return the money to the owners is to simply write cheques in the appropriate amounts to each owner. That is what the Act requires.

I suggest that you establish a depreciation schedule and contribute enough money to your Contingency Reserve Fund each year to avoid special levies.

Photo by Maida Neilson

Audience at VISOA's September 20 Seminar "The Nuts and Bolts of Strata Council".

Running meetings ~ Q & A

Answers by Fred and Peg Francis, authors of Democratic Rules of Order.

Council meetings and Annual General Meetings can sometimes be frustrating events. However with agreement on rules of order, even the wildest meetings can be brought under control, and cooperative councils can work efficiently and harmoniously. These are meetings you could even look forward to attending!

To help, we are offering some questions and answers on rules of order. The answers are written by Fred Francis, one of the authors of Democratic Rules of Order. He passed away in 2003 but the wisdom in his writings is still constructive. His family continues to publish the book through Cool Heads Publishing. It is available through the VISOA publications.

Q. What can a chair do to ensure a fair and harmonious discussion of a contentious item?

A. Occasionally it is helpful to remind members before or during a meeting that

✓our rules of order allow and require us to discuss and make joint decisions in an orderly fashion, even when opinions are strongly divided.

✓that a member's right to an uninterrupted floor includes freedom from any kind of audience response while that member is speaking;

✓that a member who has spoken once may not reply to other speakers' statements, no matter how outrageous, until all others who wish to speak have done so;

✓that a member must be acknowledged by the chair before speaking;

✓that we need not change our opinions, but we must accept the voting majority as the authorized decision-maker.

It may take courage for a chair to say and enforce these points but it makes a huge difference to the quality and fairness of the meeting. It helps to realize (and say if necessary) that you are just doing your duty impersonally.

Q. Can the chair vote?
A. Yes, unless the members have ruled differently with a bylaw or standing rule. However, a formal chair should do so as inconspicuously as possible to avoid showing bias.

Q. If both the chair and the vice-chair are absent what happens?
A. Any member, perhaps the secretary, can call the meeting to order, call for nominations, and conduct an election of a temporary chair for that meeting.

Q. How much should a chair guide discussion?
A. An occasional verbal summary can be helpful but a formal chair must be careful to maintain impartiality. A chair who keeps the discussion on track, prevents overzealous members from dominating, helps members speak clearly one at a time, and keeps the meeting from dragging on with repetitions, is doing much to make the meeting worth while. Minor decisions can be made by consensus. For example, the chair might say, "Unless there is an objection, we will continue this meeting without the noisy microphone."

Q. How detailed should minutes be?
A. They should be as detailed as the secretary and/or the members wish. Minutes should contain all motions exactly as moved and a very brief description of all major actions. Minutes often look like expanded agendas. Minutes of formal meetings will generally be fuller than those of informal meetings. Minutes of informal meetings might be simply a dated list of events and decisions.

Q. Must the minutes include the names of the mover and seconder?
A. No, but in more formal meetings, the secretary may wish to include them, or the members could pass a motion or have a standing rule requiring this to be done.

Q. Must the minutes of the previous meeting be read at the beginning of the meeting?
A. No. It may be customary and a good idea, but the final authority is the members who decide the agenda including when the minutes will be read. If the minutes have been circulated, the members may not wish to have them read aloud.

Q. Can a member who will be absent submit a written amendment to a motion that is on the agenda?
A. No, unless a standing rule or bylaw states differently.

Q. Can a motion be put on the agenda without naming a mover?
A. Yes. When its turn comes up in the meeting any member can move it. If the motion is not formally made, the meeting moves on to the next item on the agenda.

Q. Sometimes we want to consider an idea even though no formal motion has been presented. What can we do?
A. You can move that we discuss the idea informally for a few minutes. This is sometimes a very effective way to discover what members think and know about a topic without the formality and limitations of a motion. It can save a lot of time. Sometimes a motion will arise out of the discussion. Or when finished, a member will move "that we go on to the next topic of the agenda now" and the meeting will continue.

Continued on page 4

Running meetings Q & A
Continued from page 3

Q. What can I do, as Chair, to prevent a talkative member from dominating the meeting unfairly?

A. There are different ways. If it is a recurring problem you might like to announce at the beginning of the meeting that no one may speak more than once on a topic until all others wishing to do so have had a turn. If it is a large or controversial meeting you could also ask for a motion limiting the time for any single speaker to a specific amount (e.g. 3 minutes) and then appoint a timekeeper to announce "time's up please" when necessary.

Good order requires that no one member be too dominant. Recognizing the fairness of this and that as Chair you have both the authority and the responsibility to enforce this, may help give you the needed courage. You should insist that no one speak until recognized by the Chair. You may have to politely but firmly refuse to recognize one who has already spoken until all others wishing to speak have done so - no matter how outraged he or she is as at what has just been said.

Windows are not clear

By Harvey Williams and Sandy Wagner

Even a less than alert reader will quickly recognize that the title to this column is a pun because everyone knows that except for frosted windows in doors, dividers and bathrooms, windows are clear. What is not clear is who is responsible for the care and maintenance of windows in strata townhouses and apartment blocks. If you ask any three lawyers, you will likely get three different responses and here is why:

• Section 72 of the *Strata Property Act* requires the Strata Corporation to repair and maintain common property and common assets.

• Section 1 defines common property as anything that is part of the land and buildings shown on a strata plan that is not shown as part of a strata lot.

It's clear then: the strata corporation has an obligation to maintain and repair windows.

Or do they?

• Section 38 defines the strata lot boundaries as midway between the floor, wall, or ceiling that faces the strata lot and the surface of the structural portion of the wall, floor, or ceiling that faces the other strata lot, the common property or another parcel of land unless otherwise shown on the strata plan.

This implies that windows set exactly on the centre line or inside it are part of the strata lot hence the owner's responsibility, and windows set outside that line are the strata corporation's responsibility. What then to do about a bay window? A recessed window?

This isn't so clear after all.

Standard Bylaw # 8 says the Strata Corporation must repair and maintain the common property. This confirms what is stated in Section 72 of the SPA. It states they must repair the structure of the building, the exterior of the building, chimneys, stairs etc., and doors, windows, and skylights on the exterior of the building or that front on the common property. That confirms that windows are common property.

Continued on page 8

Legal issues for buyers and developers of pre-sale condos

by Greg Harney

When will a contract to purchase a condo be enforced? Given the popularity of pre-sale condos these days and the current rapid fluctuations in the real estate market, buyers and developers of strata lots alike want to know where they stand.

There are many reasons why buyers may want to be relieved from their contract of purchase and sale. The economy may have affected their finances for the worse. They may have bought beyond what they can afford. They may have inspected the suite when construction was finished and realized that it was not what they thought they were buying. Construction may have been delayed well past what was promised.

The Real Estate Development Marketing Act was introduced in 2004 partially to enhance consumer protection for buyers of strata lots. The Act is still new and the dust has not settled, but a basic premise is that the buyer is entitled to know what he or she is buying. This means that developers are required to provide disclosure statements describing all material facts about the development. A material fact is a fact about the development or the identity of the developer that could reasonably be expected to affect the value, price or use of the strata unit or the development as a whole. Examples of material facts could include significant delays in construction, significant architectural or design changes, or environmental issues such as the presence of contaminated soil.

Similarly, if the developer makes a material change during the construction phase, it has to inform the buyer.

If a developer does not comply with the Act, the buyer may be able to rescind the contract, and obtain a refund of the deposit.

In a BC Supreme Court case decided earlier this year, the purchasers of a $3.5M condo at UBC took the developer to court because it had not provided them with all of the required disclosure statements. The judge said that it was common ground that the Act "is a piece of consumer protection legislation and that one of its central objectives is to ensure that material facts are provided to purchasers when developments are being marketed to them." The purchasers obtained an order for rescission of the contract, and for the return of their $350,000 deposit.

This does not mean that it is open season for any buyer to get out of their condo contracts. There are protections in the Act for developers as well. However, if you are a buyer who believes that you are not getting what you contracted to get, or that you have not been provided with all material facts, you may want to consult a lawyer. Similarly, a developer that is changing the design of the property, has encountered financing problems, or comes across any other significant changes may want to consult legal counsel to determine if it's necessary to make further disclosure to the purchasers.

In order to attempt to avoid these problems before they arise, prospective buyers should ask the developer for all disclosure statements and should make sure they carefully read these statements, as well the contract, before they sign anything. Developers should also review the disclosure statements to ensure they have addressed all material facts.

Greg Harney is a partner with Shields Harney Legal Counsel. For more information call 250-405-7612.

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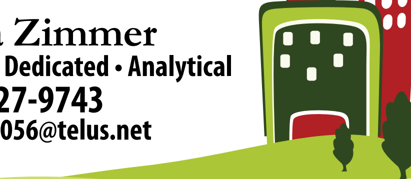

Strata Property Act amended

by Shawn M. Smith, Barrister & Solicitor

It has often been said that the only constant in life is change. Sometimes change is for the better. Sometimes not. Sometimes it is a bit of both.

Some 11 years after the passage of the *Strata Property Act*[1] change is coming to the strata community. Bill 8, otherwise known as the Strata Property Amendment Act, is currently winding its way through the Provincial Parliament. It is the product of extensive consultations with various stakeholders and is viewed as improving the way that strata corporations and owners interact. Only time will tell whether this goal will be achieved. What is certain is that the way in which strata corporations currently function will change in some key areas.

There are a number of proposed changes under the Strata Property Amendment Act. Some are routine matters of little importance. Others are more substantive. This article will briefly review those changes the author considers as significant.

Small Claims

Currently the jurisdiction of the Provincial Court over strata matters is limited to monetary issues (i.e. where the strata corporation sues an owner to recover money and vice-versa). That will change with the new amendments. The Provincial Court will now have jurisdiction to order the strata corporation to comply with the Act and the bylaws, decide whether an action of the strata corporation has been significantly unfair to an owner, approve unanimous votes that fall short, order owners to comply with the Act and bylaws and approve special levies for repairs (more will be said on this below). This is perhaps one of the most significant changes to the whole strata regime. In the author's view it will mean increased litigation due to the Provincial Court being more accessible than Supreme Court. Strata corporations should make provision in their budgets for legal fees to defend actions brought by owners. This change should also have made bylaw enforcement easier, but it appears that it doesn't. There is no companion amendment to permit a bylaw passed under s.171(4) waiving the requirement for a ¾ vote for Small Claims actions to include applications that do not involve suing over money. Thus a ¾ vote is arguably still required to approve applications to the Provincial Court.[2]

Conflict of Interest

Changes to s.32 will now require a council member to excuse themselves from any part of a meeting that involves a "matter" in which they have a direct or indirect interest which in turn creates a conflict with the council member's duty to act in the best interest of all the owners. While this is hopefully common practice already, it will soon be a requirement.

Depreciation Reports

The current s.94 will be repealed and a new section enacted that requires mandatory depreciation reports to be prepared. There will be regulations developed which will set the criteria for such reports, the frequency with which they must be prepared and who is qualified to prepare them. All strata corporations will be required to prepare one within two years of the amendment coming into force. Strata corporations will be able to opt out by way of a ¾ vote. Certain strata corporations (likely bare land) will be exempted by regulation. There does not, however, appear to be any requirement that the strata corporation do anything with the results of the reports. Perhaps it is assumed that common sense will prevail and long term planning will be undertaken as a result of receiving such a report.

Audits

Audited financial statements will now be required unless the owners waive this requirement by way of a ¾ vote. Although this will mean increased costs to strata corporations, it may result in greater peace of mind for sceptical owners and perhaps greater accountability.

Tie-Breaking Votes

As a result of amendments to s.53

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the president, and in his or her absence, the vice president, will be granted a tie-breaking vote at general meetings. It should be noted that this right is specific to the office and is not given to the chair of the meeting. Thus, if someone other than the president or vice president (i.e. a strata manager) is chairing the meeting that person does not get a tie-breaking vote.

Amending Bylaws

Currently any amendments to the bylaws which occur before the first annual general meeting must be approved by way of a unanimous vote. That will now be extended to amendments made before the "second annual general meeting". Newly formed strata corporations will not be able to revise their bylaws for at least two years. Clarification is needed though as to whether this precludes passing new bylaws which address new issues.

Exceptions to Rental Restriction Bylaws

An amendment to s.142 will provide that rentals to family members and rentals on the basis of hardship do not form part of the pool of permitted rentals. In other words, if a strata corporation has a bylaw that permits five strata lots to be rented, the number of permitted rentals will be five plus any rentals to family members and hardship rentals. This change may require some rental restriction bylaws to be revised.

Special Levies for Repairs

Amendments to s.173 will hopefully make it easier to get repairs done when there is a small minority blocking them. Where there is a special levy that involves repairs that are necessary to ensure safety or prevent significant loss or damage, physical or otherwise, and the resolution receives less than the required ¾ vote but has more than 50% approval, a court application can be brought by the strata corporation within 90 days of the vote to have the same approved. It is not clear whether a ¾ vote is required for such an application. If it is then the section is useless as the same people who blocked the levy resolution will do so for the resolution approving the application.

Arbitrations/Internal Dispute Resolution

It appears that extensive new regulations governing the conduct of arbitrations as well as a regulation requiring that a voluntary dispute resolution process be developed, will be enacted. Although the regulations are not yet available it appears that there will be a strong emphasis on moving disputes out of the court setting. Whether that will be successful will be something only time will tell. While arbitration is helpful in reducing the burden on the justice system, it does deprive us all of the benefit of the court's interpretation of the Act.[3]

There are undoubtedly many other changes that owners, strata managers, and lawyers would like to see. But those are only wishes at this point. On the author's "wish list" is an amendment making insurance deductibles part of a lien under s.116. Currently such amounts are not secured other than under a Form F. For now, strata corporations, strata managers and owners should familiarize themselves with the new changes.

This article is intended for information purposes only and should not be taken as the provision of legal advice. Shawn M. Smith is lawyer whose practice focuses on strata property law. He frequently writes and lectures for a variety of strata associations. He is a partner with the law firm of Cleveland Doan LLP and can be reached at (604)536-5002 or shawn@clevelanddoan.com.

[1] Although passed in 1998 it did not come into effect until July 2000.

[2] There is an argument to be made, based on case law dealing with sections 117 and 174 of the SPA, that a ¾ vote is not required for an application under s.173.

[3] A decision of an arbitrator does not create a binding precedent.

VISOA's upcoming seminar

Sunday, November 22, 2009 • 1:00 - 4:00 PM • Register 12:30 pm

RESERVE FUND STUDIES: WHO NEEDS IT, WHO READS IT?

Speaker: Rudy Wouts, CSCE, P.Eng.

Trafalgar / Pro-Patria Legion, 411 Gorge Road, Victoria

No charge for VISOA members, $20 for non-members

Windows are not clear

Continued from page 4

But to further cloud the issue, the Standard Bylaws are revisable by the owners, and many stratas have done just that: they have specified, by bylaw, that windows are the responsibility of the unit owner – likely to push the expense onto the individual owner and "save" the strata some money.

The *Strata Property Act* and its Regulations do not allow a strata corporation to make owners responsible for common property. But the strata can revise or repeal a Standard Bylaw. More and more unclear.

We disagree with this bylaw revision for this reason: the strata would be giving up control over the quality of the materials or workmanship in any window repairs or replacements. If an inferior product was incorrectly installed, it could cause excess heating costs, or worse, water ingress into the building envelope. A strata could well end up paying much more over the long term than would be saved by passing the cost of windows on to individual owners.

If windows are replaced as a common expense, the strata has control over the materials, installation and timing – and remember that contracting for a large quantity of windows is likely to result in a quantity discount from the contractor.

Another reason to keep the maintenance and repair of windows a responsibility of the strata is to avoid injuries to individual suite owners. Can you imagine if a 70-year-old lady living on a 6th floor tried to lean out her balcony to squeegee her bedroom window, all because she couldn't afford a window washing service?

Whether or not you think that windows are or are not common property, don't you think that the *Strata Property Act* and your bylaws should agree with each other? Should the Standard Bylaws be allowed to be amended to contradict the SPA? If the authors of the *Strata Property Act* intended for windows to be common property, then windows should not have been mentioned in the Standard Bylaws.

That would have been clear to all.

An example of an agreeable solution is to create a bylaw which specifies what was likely the intent of the original wording in the SPA – that the Strata Corporation pay for common property, and the owners pay for their own actions. One strata has this to say:

We have solved that problem by adopting a bylaw that goes beyond the standard bylaw by specifying responsibility for windows. It works for us. While such a bylaw does not prevent an owner from taking a case to court - and I would certainly not predict the outcome if one were taken to court - owners accept it because it's there and in writing. For those who are interested, here is our bylaw:

The strata corporation is responsible for maintenance and repair of windows, window frames and window sills that is necessary to keep them weather-proof and for painting external surfaces of window frames and sills as needed.

Owners are responsible for the internal surfaces and components of window frames and sills and for repair of damage resulting from owner modifications to original windows such as storm windows and insect screens, whether inside or outside the original window glass, and for all window breakage resulting from owner activity.

A lawyer might find fault with this bylaw, but it has completely eliminated dissension over windows by providing consistency and predictability in responsibility for the maintenance of windows.

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Licensing of strata managers - boon or boondoggle?

by Harvey Williams, VISOA Helpline

As of December 31st of this year, the licensing requirement for strata managers (agents) under the Real Estate Services Act (RESA) will have been in effect for four years. It's time to ask ourselves: has the licensing of strata managers (or more properly, strata agents) been a boon or a boondoggle for strata owners?

Boon

No more fly-by-night strata management companies. Before licensing, anyone could hang out a strata management sign. Even a criminal record did not disqualify one from being a strata manager and handling strata funds. Now strata agents must complete a course of study and have a criminal record check in order to be licensed.

Strata management services requiring licensing are defined. Writing cheques, collecting funds and signing contracts on behalf of strata corporations are among the services for which licensing is required with an exemption for self-managed strata corporations.

Licensing makes strata agents more financially accountable. Strict rules are set for handling strata corporation funds. There must be a separate trust account for each strata corporation, and contingency reserve and special levy funds must be kept in a trust account separate from operating funds. Financial records must be kept including a ledger, showing cash receipts and disbursements, cancelled cheques, vouchers and the like. Bank statements must be provided to strata corporations within 30 days of the date they are issued by the bank.

Standards for service agreements are set. Agreements must specify the services to be provided, moneys to be handled, the duration of the agreement and a clear statement of signing authority.

Agents are subject to discipline. A process is in place for investigating and acting on complaints about strata agents who violate the RESA rules.

Boondoggle

Strata owners are not represented on the Real Estate Council. It is doubtful that the interests of strata home owners receive the same priority as they would under an agency such as the Homeowner Protection Office.

There is less competition in the strata management field. The REC requires that strata management companies be headed by a managing broker essentially closing the door on new stand-alone strata management companies.

Innovation in strata management is inhibited. Formation of strata management cooperatives for small strata corporations were once discussed in which several small strata corporations would band together to deliver management services to their members. The existing rules for licensing strata managers make this impossible.

The REC process for receiving complaints is too limited. Except in special cases, the REC will only investigate a complaint in the form of a resolution by the strata council. In rare exceptional circumstances a complaint from an individual will be accepted. The strata council may be a party to the offense or reluctant to act. Complaints about strata agents from individual owners should be considered.

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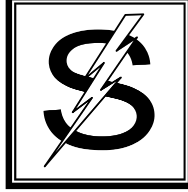

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The leaky condo problem and how to live with it

By Dr. Bryce Kendrick

Everyone on the west coast knows about leaky condos, and some of you live in one of them. I have seen many alarmist articles in the press in recent times, informing us that it often costs up to $100,000 to fix the problem for a single condo, and that this is beyond the means of many senior people, who are often on fixed incomes. The situation has recently been made much worse by the BC Government's decision to end the interest-free loan program that helped many people to fix their condos.

So now what do you do? Well, in the words of 'The Hitchhiker's Guide to the Galaxy' - DON'T PANIC. There are two main problems associated with leaky condos - dampness and mould. Let's deal with them in turn.

1: Dampness. I come from Britain where there were millions of damp houses. People lived in them and raised families in them. Most of these people were renters, and they certainly did not have the money to fix the problem. Their landlords did not regard it as a serious problem and often did little or nothing in the way of remediation. So we know we can live with dampness. This is by no means an ideal situation, but it can certainly be survived. And in Canada we always have some form of central heating, which largely mitigates the effects of dampness.

2: Moulds. Can we live with the moulds that dampness brings? For many people, this is the real issue. Dampness brings mould, and mould brings asthma, other respiratory allergies, and nasty conditions only hinted at in the newspapers (I have heard it alleged in legal proceedings that mould has caused attention deficit disorder, impotence, has killed mice, and has caused total loss of carpets, curtains and other furnishings). I was perfectly aware that none of these allegations were verifiably true, and that this whole performance was directed to one end - a large settlement from an Insurance company.

It is clear that there is a great deal of public hysteria and ignorance about moulds. I should know, because I have worked with moulds for more than 50 years, handling them in buildings and in my laboratory, growing them in culture, describing new genera and species, and writing and editing books about them.

So here's the lowdown. A few of you will be seriously allergic to mould spores, and will develop asthma or upper respiratory allergies when exposed to them. Most of you will not be allergic to moulds, and can regard their presence as little more than an annoyance. There are a number of moulds that commonly occur in damp houses - probably about 20 or so different kinds. One of them, called Stachybotrys, has been called the toxic mould, and strikes fear into the hearts of many. This black mould, which likes to grow on cellulose (paper), does indeed produce toxins, but it is extremely unlikely that any of you would ever be exposed to them. First, the fungus produces its spores in droplets of slime - they will not become airborne. This is because they are picked up and spread by tiny animals such as mites. Most other moulds, such as Penicillium, Aspergillus, Ulocladium, Chaetomium and other common kinds, have the potential to cause allergies, but not in most people. In other words, moulds are not as scary as some people would have you believe. Two things will help you to deal with them:

1. Knowing something about how they operate. Their spores are in the air, everywhere. When they land on something, they cannot grow unless there is some moisture and some food. If they land on damp wallboard, they may germinate and grow, eventually producing more spores. It is usually at this stage that we see them - they emerge from the food substrate and develop microscopic spore-bearing structures. When a lot of these occur together, they produce a visible spot or colony, which can produce millions of spores. In some species these are dry and easily become airborne, in others they are slimy and tend to stay put.

2. In either case, it is not difficult to get rid of them. Wiping the contaminated areas with a dilute bleach solution will stop them in their tracks. If you can dry things out and keep them dry, the moulds will not come back. If you can't guarantee the dryness, they may redevelop, but you can repeat the dilute bleach treatment to deal with them.

Dr. Kendrick runs a consulting business on moulds in buildings. For further information: Phone: 250-655-5051
E-mail: bryce@mycolog.com
Web site: www.mycolog.com

Boon or boondoggle?

Continued from page 9

There is insufficient compensation for misappropriated funds. Licensing was driven in part by some high profile misappropriations of strata funds by strata managers. The maximum compensation for a single loss is $100,000 and total compensation for losses involving one management company is $350,000. Many strata corporations have well over $100,000 in their reserve and/or special levy funds. The total of all the reserve funds controlled by a one management company could run into the millions of dollars.

Many strata agents are still unfamiliar with the *Strata Property Act*. Complaints to VISOA's Helpline about misinformation from strata agents do not seem to have diminished since licensing was required. Many agents still provide financial reports that do not comply with the *Strata Property Act*.

The following comments are based on calls and emails to the VISOA Helpline.

• Many strata agents do not provide financial reports that comply with the *Strata Property Act* or the RESA rules or both.

• Operating funds and contingency funds are usually included in a single budget presentation and contingency fund contributions are not credited to the contingency fund trust account within seven days of receipt as required by RESA rule 3(c).

• Many strata agents provide misinformation about Strata Act requirements.

• Many strata agents make little effort to assist strata councils in improving their effectiveness.

Lest this sound too negative, there are some strata agents who perform well and provide information and guidance to the strata councils they work for. They are to be applauded.

Photo by Claudio Procopio.

From left, Gwen Bell and Joan Marr of Sidney organized the protest.

In our last issue of the Bulletin we reported that the Minister of Housing and Social Development, Rich Coleman announced the end of the Reconstruction Loan Program On July 31. This program provided loans to owners of leaky condos who were unable to obtain funding elsewhere. Many of these owners were seniors on a fixed income.

The program stopped accepting applications at the end of July, but on August 25 some angry condo owners were on the lawn outside the legislature for the opening of the new session, demanding the interest-free loans be continued.

Joan Marr (R) and Gwen Bell (L) of Sidney organised a protest and Joan said her condo has been leaking for four years, and she and her neighbours were just completing their application for a loan when the program was halted.

TALK TO US

This month's letter is from Beth Rogers of Strata VIS338.

We at VIS338, Village Oaks, want to thank all of you at VISOA for all the good work and quick delivery of "A Commentary of Bill 8". All the hard work of your organization is very much appreciated,

Regards, Strata Council
Tim Hoskins, President
Helen Maceachern
Beth Rogers, Treasurer
Audrey Thayer, Secretary

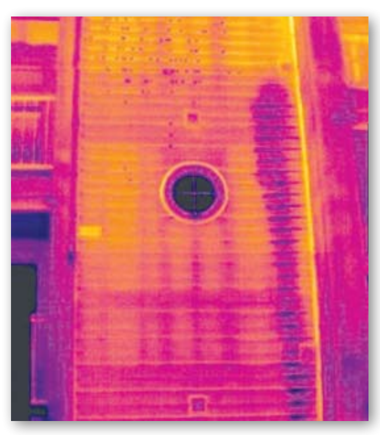
We welcome letters and email from Bulletin readers. This is your Bulletin and your Letters page. Speaking to Vancouver Island strata owners like you is our mandate - hearing from you is our pleasure.

Email us at editor @visoa.bc.ca
Write us at Box 601, 185-911 Yates Street, Victoria BC V8V 4Y9
Please include your name, strata number and telephone number.
Letters and emails may be published on-line.

Infrared Moisture Detection

Non-invasive infrared (IR) scanning can be used to aid in the detection of:

- Water and moisture intrusion
- Mold hidden behind walls • Plumbing and roof leaks
- Electrical problems • Missing insulation
- Structural defects • Heat loss



Right is a photo taken at a condominium. The dark (cool) streak is water in the wall from a leaking washing machine on the third floor. Water was detected in the basement. The camera showed the source.

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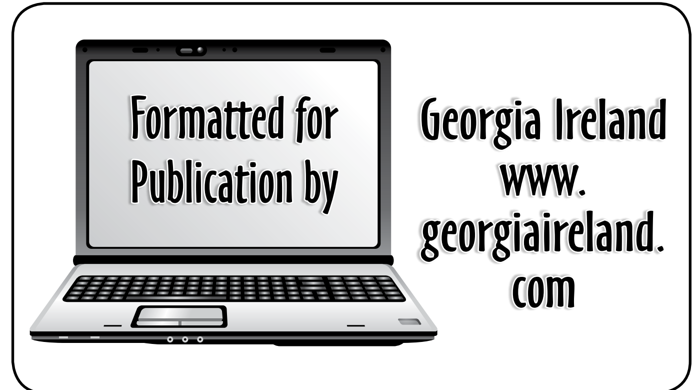
Introducing new business members

VISOA welcomes two new Business Members this month:

Houle Electric, and Cool Heads Publishing.

HOULE ELECTRIC is BC's most trusted name in electrical contracting. Founded in 1944, Houle prides itself on a tradition of service excellence for residential, business, industrial and government sector customers. From 24-hour emergency service to large scale system design and project management, Houle's many award-winning services also include data & network cabling, preventative maintenance & infrared technology, DDC building controls, and security systems.

COOL HEADS PUBLISHING publishes *"Democratic Rules of Order"*. Authors Fred and Peg Francis wrote the book after attending many meetings and becoming increasingly frustrated with cumbersome procedures and chairpersons who couldn't control their meetings. With its 8th edition, this handy volume tackles the complexities of running a meeting and reduces them to a simple set of common-sense rules that anyone can follow.



For more information regarding Business Memberships please contact **Daryl Jackson at 1-877-338-4762** or **membership@visoa.bc.ca**. *(Please note that VISOA does not guarantee or warranty the goods, services, or products of their business members).*

~ DISCLAIMER ~

The material in this publication is intended for informational purposes only and cannot replace consultation with qualified professionals. Legal advice or other expert assistance should be sought as appropriate.