



DIRECTORS' POWERS, DUTIES & STANDARD OF CARE

By J. Robert Gardiner *

Standard of Care

Condominium directors and officers need not be overly anxious about the standard of care provisions set out in s. 37 of the *Condominium Act, 1998* (the "Act"), but they should heed the implications of those provisions and other statutory and common law duties while exercising their powers.

GOVERNANCE POWERS AND DUTIES

Objects and Duties

A condominium is a creature of statute and all of its objects, powers and duties must be found within the Act or empowered by it. If the Act does not enable the corporation to carry out a particular object, duty or power, or if proper authorization is not obtained, then any such unauthorized action would be *ultra vires*. The objects of the corporation are to manage its property and assets on behalf of the owners. The corporation has a duty to control, manage and administer the common elements and the assets of the corporation. It also has a duty to take all reasonable steps to ensure that the owners, the occupiers of units, the lessees of the common elements and the agents and employees of the corporation comply with the Act, the declaration, by-laws and rules [s. 17]. A condominium can only restrict the natural rights of owners and residents if there is a particular governance power deriving from the Act which enables the corporation to do so. Often the board will instruct the manager to obtain a legal opinion as to which governing power and procedures are applicable.

Source of Powers

Many duties, powers or restrictions are set out in the corporation's declaration [s. 7], by-laws [s. 21, 56, 57, 59] and rules [s. 58 & 59]. A declaration may only contain eight types of mandatory requirements [s. 7 (2)] and five types of permissive requirements [s. 7 (4)], whereas by-laws may deal with 19 listed types of topics within their jurisdiction [s. 21, 56 (1), 57 and 59]. Rules are restricted to two types of criteria affecting uses of the common elements and units [s. 58 (1)]. Rules may permit the board to pass regulations governing or implementing specific aspects of existing rules. Joint by-laws and rules may govern the use and maintenance of shared facilities and services of two or more corporations [s. 59]. Decisions are made by resolutions passed at owners' meetings (within the scope of their powers) or at a meeting of directors duly called and held. Sometimes directors establish policies which may become binding upon directors, officers, employees and contractors, but a policy is not enforceable against an owner if the policy was not authorized by the Act or by the Corporation's declaration, by-laws or rules.

Hierarchy of Decision Making

Directors must ensure that all governance decisions comply with a hierarchy of

precedence: the Act applies despite any agreement to the contrary [s. 176]; if any provision in a declaration is inconsistent with the provisions of the Act, the provisions of the Act prevail and the declaration is deemed to be amended accordingly [s. 7 (5)] ; a declaration provision governs (whether or not it is reasonable) if s. 7 (2) or (4) allows such a declaration provision; by-laws must be reasonable and consistent with the Act and the declaration or proposed declaration [s. 56 (6) & (8)]; rules must be reasonable and consistent with the Act, the declaration and the by-laws [s. 58 (2) & (4)]. Joint by-laws and joint rules are subject to the same criteria [s. 59].

Governance Powers

The board of directors makes the vast majority of decisions affecting a condominium corporation. Section 27 of the Act provides that the board of directors shall manage the affairs of the corporation. On the other hand, several governance decisions are reserved to the owners pursuant to various provisions set out in the Act. See Schedule A, attached, which list decisions which can be made by owners pursuant to a majority vote of those persons present in person or by proxy at a meeting of owners. Schedule B explains various types of significant situations where owners decide the outcome by an extraordinary vote. Schedule C details some scenarios where the decision is made by owners' written consent. Before directors can make any decisions binding upon the corporation or its owners, it is necessary to ascertain whether it is the owners or directors who have the right to do so pursuant to provisions set out in the Act, the declaration, by-laws or rules.

DIRECTORS' DUTIES

Condo Act Duties

Three explicit statutory duties affecting directors and officers (and other specific obligations) are set out in the Act:

- the duty to disclose a conflict of interest [s. 40 and 41]
- the duty of honesty and good faith [s. 37 (1) (a)]
- the duty of care, diligence and skill [s. 37 (1) (b)]

The "standard of care" is the duty of directors and officers to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, as required by s. 37 (1) (b) of the Act. We will discuss those three duties in detail below, but directors should keep in mind that they are subject to several layers of powers, duties and obligations, subject to indemnification and insurance protections, such as the following:

Enforcement Duties

Directors must be circumspect about how they exercise their powers. By-law and rule provisions must be reasonable, consistent, non-discriminatory and must be enforced on an even-handed basis, without waiver, acquiescence, delay or administrative discrimination by the board in permitting breach of those provisions. See Gardiner Miller Arnold LLP's article entitled *Rule Enforcement Procedures*.

Directors' Code of Ethics

In view of the fact that often volunteer directors are unaware of their obligations as directors, we recommend that owners ask candidates whether or not they will comply with a Directors' Code of Ethics. We are attaching a complimentary copy of Gardiner Miller Arnold LLP's Directors' Code of Ethics which establishes basic standards to preclude the various types of short-comings and conflict.

Owners' Code of Ethics

Similarly, owners should be educated to wisely choose directors and avoid abuse of proxies, while exercising their democratic rights in a manner which precludes defamation. See Gardiner Miller Arnold LLP's Owners' Code of Ethics, attached.

Statutory Duties

Other statutory legal layers are applicable. Directors and managers can be held personally liable for discrimination contrary to the *Human Rights Act*. Pursuant to the *Criminal Code*, directors, officers and property managers may not take secret commissions, act fraudulently or commit a number of other crimes. Several other Acts impose duties upon directors and officers and hold them personally responsible for breach of certain provisions.

For instance, the *Occupational Health and Safety Act* requires directors to take every reasonable measure possible to protect the health and safety of any "workers" (such as the corporation's own employees or other contractor's or sub-contractor's employees) on the corporation's common elements "work place". Non-compliance with the garbage disposal and recycling requirements of the *Waste Management Act* or the *Environmental Protection Act* can also render directors personally responsible on a strict liability basis. Statutes such as the *Fire Marshals Act*, the *Fire Code*, the *Trespass to Property Act*, and s. 12 of the *Elevating Devices Regulations*, among other legislative requirements, can impose stringent personal liability obligations upon directors.

Common Law Duties

A wide scope of common law remedies could also be applicable to an officer=s or director=s breach of duty, ranging from negligence, breach of contract, libel and slander or breach of copyright (i.e. stealing a property manager=s administrative form or a lawyer=s draft by-law applicable to another corporation). Property managers often think they are only bound by the contractual provisions they have negotiated, but their agency law and bailment law obligations may hold them liable to a higher standard, analogous to a trustee in some agency situations (for example withholding a corporation=s records in the event of termination, pending payment in full by the condominium). The directors are also subject to an expanding range of cases which have required them to fulfill their fiduciary duties to put the best interests of the corporation ahead of their own personal interests, as discussed in condominium cases such as *Newrey*, *Trendseter* and *Rochon*.

CONFLICT OF INTEREST

Conflict of Interest

Sections 40 and 41 of the Act define directors' and officers' conflict of interest and disclosure obligations. A "conflict of interest" is limited to a director's direct or indirect

interest in a contract or transaction, either proposed or in effect, to which the corporation is a party. This conflict of interest does not apply to a contract, transaction or proposed contract or transaction unless it and the director's interest in it is material. If the corporation is considering buying or selling real or personal property in which the director has an interest the director must disclose the "cost of the property to the seller" if the property had been acquired by the seller within the last 5 years. The disclosure must be in writing, made at the first meeting at which the contract or transaction is considered or immediately after the conflict becomes apparent. The conflict must be noted in the minutes for that meeting. The conflicted director must excuse herself from the presence of any board discussion and the decision-making quorum or vote with respect to the transaction or contract, unless the decision is limited to errors and omissions insurance or remuneration as an officer, director or employee of the corporation. The bottom line is that, provided that the director acted honestly and in good faith and made full disclosure, she is not accountable to the corporation's owners for any profit or gain received from the contract or transaction. If the remaining directors cannot form a quorum, the contract or transaction must be approved by a vote of at least 2/3 of owners' votes cast at a meeting of owners where disclosure has been made in the notice calling the meeting.

STANDARD OF CARE

A Needed Standard

Now s. 37 (1) (b) of the Act makes it clear that officers and directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Previously, most volunteer condominium directors thought they escaped this stringent standard of care imposed upon directors of business corporations by federal and provincial corporate legislation. However, directors and officers were probably always required to achieve that standard of care under the common law. The budgets and operations of most condominiums call for vigilant care and attention; often they are as large and complex as many other businesses. Unit owners who have entrusted directors and officers with the management of the affairs of the condominium corporation need to be able to rely upon a professional degree of performance - at stake is the value of owners' units, regulation of use of the common elements and interactions among fellow residents. Directors can significantly affect the quality of unit owners' lives, yet owners have few powers except to elect these decision-makers at annual general meetings. Unit owners deserve the assurance that their representatives are exercising the appropriate level of care in carrying out their responsibilities effectively.

Exceptions from Liability

Section 37 of the Act provides three statutory saving graces enabling directors and officers to escape liability from the standard of care.

Reliance on Financial Statements

Section 37 (3) replicates a provision already contained in the *Ontario Business Corporations Act*. A director will not be liable with respect to his or her duty of honesty and good faith and the standard of care, if the director relies in good faith upon financial statements of the corporation represented to the director by an officer of the corporation, or in a written report of the corporation's auditor which presents fairly the financial position of

the corporation in accordance with generally accepted accounting principles.

Reliance on Opinions

A director will also avoid liability by relying in good faith upon a report or opinion of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to the report or opinion. Too often, directors make complicated decisions without the blessings of their professional advisers. Although that may save on the cost of professional opinions, directors will personally assume the risk of their decisions if they do not obtain independent educated opinions in appropriate circumstances, especially where situations or contracts are complex, or where substantial dollar amounts are involved.

Officers Not Protected

Reliance upon financial statements, reports and opinions of professionals can protect a director but no such provision is afforded by the Act to persons acting solely in their capacity as an officer. As a result, officers such as the President, Secretary or Treasurer are best advised to ensure their decisions are approved by a resolution of the board of directors. Otherwise, directors and officers can generally be protected by a by-law indemnification provision and by directors' and officers' errors and omissions insurance, as discussed below.

Skill

In the past, there have been very few cases that have considered directors' liability for breach of their duties. Both the *Ontario Business Corporations Act* and the *Canada Business Corporations Act* establish standard of care provisions substantially identical to s. 37 of the Act. A few existing precedents such as *In re: City Equitable Fire Insurance Company* interpret the standard of care. In that case, it was decided that a director is obligated to take the care an ordinary person might take in the circumstances on his own behalf, but he is not bound to display greater skill than could be reasonably expected of a person with his knowledge and experience. However, this required degree of skill was subsequently diluted by the *Ontario Corporations Act* in 1971 which established a standard of care worded substantially the same as the current wording in s. 37 of the Act. Instead of being bound to exercise the skill previously expected of a person of the director's knowledge and experience (i.e. more is expected of a business owner or lawyer), a condominium director need only act like a reasonably prudent person in comparable circumstances, regardless of his or her particular education, experience or intelligence. On the other hand, directors are not entitled to escape liability simply by proving they did their best.

Diligence

In the *City Equitable* case, a director was allowed occasional absences from board meetings. Repeated absences will not relieve a director from liability. A director is not bound to give continuous attention to the affairs of the company as his duties are necessarily intermittent. A director is entitled to trust the officers in the absence of circumstances which would reasonably give him grounds for suspicion. Directors must generally attend meetings and pay attention to the subject of discussion. Although there is no statutory requirement to do so, directors should review minutes of meetings and correct any errors promptly.

Record Dissent

The Act does not contain any of the dissent provisions contained in the *Ontario Business Corporations Act* which provide that a director's consent to a resolution passed or action taken at a meeting of directors or committee of directors is excluded if his or her dissent is entered in the minutes of the meeting, is given in writing to the Secretary before the meeting is terminated or is forwarded by registered mail immediately after the meeting is terminated. Similarly, the *Business Corporations Act* provides that if a director is not present at a meeting, he or she may forward his dissent to a particular resolution or action by registered mail within 7 days after he or she becomes aware of the resolution or action. Unfortunately, a similar set of dissent provisions were not included in the Act. Nonetheless, a director would be well-advised to record his or her dissent if he or she felt that a particular resolution or action would put him or her in breach of the standard of care, in order to avoid liability for the decision.

Reliance Upon Officers and Advisers

In the *City Equitable* case, Romer J. decided that the required standard of care depends upon the nature of the business and the normal practices in the particular company pertaining to the division of responsibility between the board of directors and its officers and employees. Since the board appoints officers and delegates most of their management functions to a property manager and to advisory committees, the board should show due care in the selection of such officers. It is essential that officers such as the President and Secretary be properly supervised and that adequate reporting procedures are in effect. The board can delegate most of its management functions to a property manager and to advisory committees who report back to the board of directors but the final decision resides with the board. Moreover, directors must be aware of specific duties imposed under the Act, declaration and by-laws which cannot be delegated by the directors.

High Risk Issues

Obviously, most business corporations require advice given to them by management or by outside professional advisers to be documented by written reports in the case of contentious issues. Directors will not be held liable for mere honest errors of judgement in the case of normal business issues. The courts will not second-guess their business judgement. One would not expect directors to be guilty of negligence if they pay reasonable attention to the condominium corporation's affairs, make reasonable efforts to search for and choose apparently honest, capable and adequately experienced officers and managers and require suitable reports from them on a regular basis. However, a board would be well-advised to show more care and diligence to require appropriate advice in the case of contentious or complex issues.

Financial Controls

Financial statements should be reviewed carefully and any questionable items should be examined in detail. Complex documents and reports should be circulated in advance to directors for their review before the board meeting. Directors should carefully review the board minutes and express and note their concerns when illegal or improper decisions are made by the board. Board meetings should be duly called by proper notice as required by the corporation's by-laws and the Act. Board meetings should be held on a regular basis.

All business should be conducted at board meetings where at least a quorum of the directors is in attendance. A regular pattern of financial and other information and follow-ups should be provided by the property manager. Problem areas should receive a special focus and future planning pertaining to budgets, reserve fund evaluations and other issues should receive considerable attention.

INDEMNIFICATION AND INSURANCE

By-law Indemnity

Section 38 of the Act states that the by-laws of the corporation may provide that every director and officer of the corporation and the person=s heirs, executors, administrators, estate trustees and other legal personal representatives may be indemnified and saved harmless by the corporation from any liabilities and all costs and expenses that the director or officer sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against the person in respect of anything that the person has done, admitted to do or permitted in respect of the execution of the duties of his office. The director or officer may also be indemnified from all other costs, charges and expenses that the person sustains or incurs in respect of the affairs of the corporation. However, that by-law indemnity will not apply if the director or officer is adjudged to be in breach of the duty to act honestly and in good faith. Every corporation likely has such a by-law indemnity provision, although in one case, a judge decided that a by-law indemnification which extended beyond the narrow circumstances referred to in the Act was invalid. The board should instruct the corporation=s solicitor to carefully review the by-law indemnification provision when redrafting the corporation=s new Comprehensive General By-law.

Errors and Omissions Insurance

Furthermore, s. 39 of the Act counter-balances the detrimental impacts of the standard of care by imposing a positive obligation upon the corporation to purchase and maintain errors and omissions insurance for the benefit of the directors and officers. Such directors' and officers' insurance provides protection for most types of errors and omissions, including a director's or officer's failure to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Both the indemnification by-law provision and the errors and omissions insurance will protect a director and officer even when he/she is acting in breach of a statute; however, the insurance does not apply if the director or officer acted in breach of his or her duty of honesty and good faith. The board should pass a resolution appointing committee members as officers. Not all errors and omissions policies inherently cover committee members; provide a copy of the directors' resolution to your insurance broker.

OWNERS' ENFORCEMENT RIGHTS

Owners' Rights

Aside from a few specified majority voting situations and some scenarios where an extraordinary vote of owners or their written consent may occasionally be required, owners generally do little more than vote to elect directors and appoint auditors at an annual general meeting, or occasionally vote to enact a by-law or approve a change to the common elements, assets or services of the corporation. Of course, owners still hold the

ultimate hammer in the form of their right to elect directors and to remove them at a requisition meeting.

Owners' Requisition Rights

In some specified circumstances, a requisition meeting must be called and held by the board if qualified owners of at least 15% of the units properly submit a written requisition stating the nature of business to be presented at a meeting of owners, subject to compliance with the criteria set out in s. 46 of the Act, for any of the following reasons:

- a requisition to remove a director by a vote of a majority of all owners and to elect a replacement director [s. 33]
- owners of owner-occupied units meet to remove the owner-occupied director [s. 51]
- if the first board fails to call a turnover meeting, an owner/mortgagee can do so [s. 43 (2)]
- owners may requisition a meeting to amend or repeal a rule [s. 58]
- owners may requisition a meeting to amend or repeal a joint rule [s. 59]
- owners may call a meeting to remove the auditor [s. 63]
- owners may requisition a meeting to object to board-approved alterations on notice to owners [s. 97 (3)]
- owners may requisition a meeting when an owner alters the common elements [s.98 (1)]
- owners may requisition a meeting to terminate the corporation upon substantial damage [s. 123]

Enforcement Remedies

The Act contains a number of specific remedies. Directors should keep in mind:

- A court may decide that the conduct of an owner, corporation, declarant or mortgagee of a unit is or threatens to be oppressive or unfairly prejudicial to the Applicant or unfairly disregards the interests of the Applicant [s. 135]
- Owners have a right to requisition a meeting of owners pursuant to a valid requisition with respect to matters within the jurisdiction of decision-making allocated to owners by the Act [s. 46]
- A requisition vote to remove and replace directors can be achieved by the owners of a majority of all units [s. 33]
- Mediation/Arbitration procedures apply where there is a disagreement between an owner and the corporation with respect to the declaration, by-laws or rules [s. 132 (4)]
- An owner or the corporation may make an Application to the Superior Court of Justice for an Order enforcing compliance with the Act, declaration, by-laws, rules or a shared facilities agreement [s. 134] (especially breach of a directors' standard of care [s. 37],or a failure to disclose an interest in a contract or transaction with the corporation [s. 40 and 41], or conduct of a dangerous activity or condition in a unit or on the common elements [s. 117], subject to mediation and arbitration where there is a disagreement between the parties with respect to the declaration, by-laws or rules or in the case of four specified types of agreements, including an agreement between the corporation and an owner with respect to changes to the common

elements under s. 98 [s. 132])

- The court may appoint an inspector [s. 130]
- The court may appoint an administrator to administer the board's affairs [s. 131]
- A director or any other person who knowingly contravenes the turnover provisions [s. 43 (1), (3), (4), (5) or (7)], or fails to keep records [s. 55 (1)], or fails to hold money in trust for the corporation [s. 115] and directors who restrict access to specified political canvassers [s. 118] can be guilty of an offence [s. 137]
- Nothing in the Act restricts the remedies otherwise available for the failure of person to perform a duty imposed by the Act [s. 136]

Summary

As a result of the new statutory duty of care, insurance coverage requirements, and the protection afforded by professional advice, unit owners should be better protected from directors' and officers' breach of the standard of care. Moreover, insurance proceeds will guarantee recovery to wronged unit owners. At the same time, most directors can be expected to achieve a responsible degree of decision-making, while receiving by-law indemnification and errors and omissions insurance protection except under very limited circumstances of a breach of the duty of honesty and good faith.

Being a Good Director

See Gardiner Miller Arnold LLP's complimentary article entitled *Being a Good Director* at www.gmalaw.ca.

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Schedule “A” Majority Votes

Most condominium decisions are made by its board of directors. Owners only have the right to vote with respect to a restricted list of issues. Most owners' votes are determined by a majority of the votes cast by owners present at a meeting of owners in person or by proxy, as required by s. 53 of the Act, such as in the following cases:

Elect Directors - election of directors. [s. 28]

Filling Vacancy - filling of vacant directors' positions where the board does not have a quorum. [s. 34 (3), (4), (7)]

Amend/Repeal Rule

- (a) the board may make, amend or repeal a rule upon notice to owners, subject to the owners' right to requisition an owners' meeting to vote by a majority vote [s. 58 (6) and (7)]; or
- (b) a rule amended or repealed by a majority vote of owners at an owners' meeting called for that purpose (but if not, the board may do so) [s. 58 (5)]; or
- (c) owners must approve by a majority vote at a meeting of owners passage of a rule or amendment substantially the same as a rule owners previously amended or repealed within the preceding two years. [s. 58 (8)]

Joint Rule

- (a) the boards of each corporation may make, amend or repeal a joint rule upon notice to the owners, informing them of their right to requisition a meeting within 30 days after notice was given; if a meeting of owners is requisitioned, the joint rule is not effective until the owners approve it at a joint meeting of owners of the corporations or at a meeting of owners of each corporation, in each case by a majority vote; or
- (b) a joint rule amended or repealed at a joint meeting of owners of the corporation or at a meeting of owners of each corporation if the meeting has been duly called for that purpose, by a majority vote in each case; or
- (c) a joint rule or amendment thereto re-visited within two years is not effective until the owners approve it at a joint meeting or separate meetings of each corporation called for that purpose, by a majority vote in each case. [s. 59]

Auditors - owners appoint auditors at each annual general meeting and may remove auditors at a meeting duly called for the purpose. [s. 60 (1) and (2) and 63] Owners may set the auditor's remuneration or may pass a motion to allow the board to do so.

Common Element Changes - owners who receive notice with respect to certain changes to be made to the common elements, assets or services of the corporation may requisition an owners' meeting and vote against or for a proposed change by a majority vote. [s. 97 (3)]

Owners' Changes - owners who receive notice of changes to be made by a particular owner to the common elements may requisition an owners' meeting and vote for or against a proposed change by a majority vote or by a vote of at least 66 2/3% of the units, depending upon whether or not the change is substantial. [s. 98 (1) (c) and (2)]

Schedule “B” Extraordinary Votes

The owners make some decisions by extraordinary vote, where specifically indicated in the Act. Examples are as follows:

Easements - passing a by-law to lease or grant an easement or licence through the common elements, where the owners of a majority of the units vote in favour of confirming it. [s. 21]

Remove Directors - removal of directors (where the owners of more than 50% of all units in the corporation vote in favour of removal). [s. 33 and 46]

First Owner Directors - election of two directors to the first board (majority of owners of 25% or more of the units, other than the declarant). [s. 42 (8)]

Election of Owner-Occupied Director - election of one owner-occupied director after turnover (majority of 15% or more of owner-occupied unit owners). [s. 51 (6)]

Removal of Owner-Occupied Director - removal of the owner-occupied director by a vote of owners where the owners of more than 50% of all the owner-occupied units in the corporation vote in favour of removal. [s. 51 (8)]

Conflict of Interest - owners vote to approve a contract or transaction (as one alternative) where a director or officer has a conflict of interest, by at least 66 2/3% of the votes cast at a meeting of owners duly called for that purpose. [s. 40 and 41]

By-laws - enacting and repealing general by-laws and occupancy standards by-laws where the owners of a majority of the units of the corporation vote in favour of confirming it. [s. 56 (10) and 57 (1)]

Joint By-laws- enacting and repealing joint by-laws where the majority of the owners of the units of each corporation vote in favour of confirming it, with or without amendment or vote in favour of repealing it, which they may do at a joint meeting of the corporations. [s. 59 (3), (4) and (5)]

Substantial Change - a substantial alteration must be approved by owners of at least 66 2/3% of the units who vote in favour of approving it. [s. 97 (4)]

Termination On Consent - notice of termination of the corporation on consent requires a vote of the owners of at least 80% of the units in favour of termination as well as the written consent of at least 80% of the registered encumbrancers. [s.122 (1)]

Substantial Damage - termination of the corporation upon substantial damage requires the owners of at least 80% of the units to vote in favour of termination. [s.123 (5), (6) and (7)]

Sale of the Property - sale of the property or part of the common elements requires a vote of the owners of at least 80% of the units in favour of the sale, as well as the written consent of at least 80% of the registered encumbrancers, subject to rights of dissenters. [s.124 (2) and 125]

Vacant Land Minimum Maintenance Requirements - the owners of vacant land condominium units may pass a by-law in compliance with s. 56, specifying minimum maintenance

requirements for a vacant land unit, building or structure. [s.160]

Schedule “C” Owners’ Written Consent

There are only a few specified situations where decisions must be approved by the written consent of 80% or 90% of the owners (and registered encumbrancers in some cases), instead of by a vote of owners at a meeting of owners, such as the following instances:

Declaration Change - Certain changes to the declaration or description require the written consent of 80% or 90% of all owners and notice to mortgagees, as well as a meeting of owners to consider the proposed amendment. [s. 107 (2) (d), (e), (f) and (3)]

Amalgamation - Amalgamation with another corporation requires the written consent of 90% of all owners and the board of each corporation must call a meeting of owners to consider the amalgamation, declaration and description. [s. 120 (1) and (2)]

Termination on Consent - Notice of termination of the corporation on consent requires a favourable vote of the owners of at least 80% of the units and the written consent of at least 80 % of the registered encumbrancers. [s. 122 (1)]

Sale of the property - Sale of the property or part of the common elements requires a vote of 80% of the owners as well as the written consent of at least 80% of the registered encumbrancers, subject to rights of dissenters. [s. 124 (2) and 125]

Waiver of Audit - Auditors need not be appointed for a corporation having fewer than 25 units if the corporation has held its turnover meeting and as of the date of its annual general meeting, all the owners consent in writing to dispense with an audit until the next annual general meeting. [s. 60 (5)]