

Strata Living

Headline: Requirements for a 3/4 vote to exempt from a depreciation report

Topic: Depreciation Reports

Publication date: June 6, 2013

Publication: 24 Hours

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Dear Tony: Our 8 unit townhouse complex in Langley had our Annual Meeting last week and at the meeting we decided to vote to exempt ourselves from the need for a depreciation report. Our strata is very small and we have 4 duplexes, so it would be simple for an inspector to determine the building conditions at any time without the need for the additional cost every three years. When the motion to exempt ourselves from the requirement came up, an owner advised that we could not vote on this issue because we had not given notice of the resolution in the notice package. Our council had decided that if we couldn't pass the funds in the annual budget or from the reserve funds, we would just raise the matter at the meeting. At least we would be in compliance with the Act on December 12, 2013. Now we have 3 owners who are claiming it wasn't done correctly. We want to make sure we have done this properly, so could you please explain the process.

Cheryl McKay

Dear Cheryl: The exemption from a depreciation report requirement does require a 3/4 vote resolution to be passed at a general meeting. The actual wording of the vote resolution must be included in the notice package which must be issued with 14 days notice, plus the notice period and delivery time, making it 20 days in total, as a best practice for all general meeting

notices. It is helpful to include in the resolution that it is a 3/4 vote and the matter being vote on. For example, "the owners, by 3/4 vote resolution, vote in favour of exempting the strata corporation from the requirements of a depreciation report for the fiscal year of 2013-2104." If the resolution is passed at the meeting, then it is simply recorded in the minutes of the meeting. There are no filing or notice requirements to any other parties. It is also important to remember that this is an annual condition for as long as the strata wishes to continue with the permitted exemption, and that each year the resolution must be included with the notice, and ratified by 3/4 vote. If at some point the strata corporation does not pass the 3/4 vote exemption, then the strata corporation has 6 months to obtain a report.

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