

**OWNER'S GUIDE
TO
TOWNHOUSE LIVING**

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TOWNHOUSE LIVING

A townhouse is a residential property in which the Owners each hold title to their individual unit in fee simple and also own a proportionate share of the common property. Townhouse Owners are responsible for the interiors of their own units, and mortgage, principal, interest and taxes for their own unit. They are also responsible for a proportionate share of the maintenance costs of the common property.

Common Property

A townhouse purchaser acquires a “strata lot” which is clearly defined on a “strata plan,” a plan registered at the Land Title Office. The purchaser will hold separate title to this individual portion of the strata plan, and at the same time, will jointly share title to the rest of the property with the other owners. Such joint ownership areas are referred to as “common property”. The common property includes all pipes, wires, cables, chutes, ducts, facilities for the passage of water, sewage, drainage, gas, oil, electricity, heating and cooling systems, and other services contained within a floor, wall, or ceiling of a building, where the center of the floor, wall or ceiling forms the common boundary between two strata lots or between a strata lot and common property. In other words, the pipes, ducts, etc., contained in the perimeter of the strata lot would be common property, but wires and ducts contained within interior walls of the unit, or in ceilings or floors in units of more than one level are the property of the strata lot owner.

From time to time, certain areas of the common property are given to Owners for “exclusive use.” But these areas such as patios, balconies, parking spaces, carports and storage lockers really still belong to all the Owners. They may also be subject to a license which permits their use by a particular strata lot for a fixed period of time, and can form part of the strata lot. The specific circumstances for each Strata Corporation are a function of the way the property was registered on the Strata Plan.

STRATA CORPORATION LEGAL DOCUMENTS AND GOVERNANCE

When any group of people – no matter how large – share property, rules must be set down governing use. These rules and their enforcement are essential to ensure that the community's quality of life is retained, and that no owner is unduly inconvenienced by the activities of another.

The legal documents governing Strata Corporations are:

Strata Property Act

The Strata Property Act of British Columbia is the legal document, which sets out the operations of all strata properties. It outlines the duties and powers of the Strata Corporation as well as the Owners, and the way in which the community must operate.

Bylaws

The Strata Corporation bylaws which are contained in the Strata Property Act, until new bylaws are registered by the Strata Corporation establish policies for the operation of the Strata Corporation, which enable Owners to live in harmony with one another using common sense and consideration. As an Owner, it is extremely important that you read, understand, and comply with the rules of the Corporation. Understanding and compliance prevent unfortunate confrontations, in particular when the Strata Corporation enforces rules of which the Owner did not make himself or herself aware.

As a background, Strata Corporation bylaws have two components:

The first component is comprised of the Schedule of Bylaws of the Strata Property Act, which outlines all the requirements of the Strata Corporation, such as the conduct of meetings, the election of a Strata Council, the sharing of operating costs, etc.

This is followed by bylaws, which are prepared, voted on and registered by the Strata Corporation, which reflect the Strata Corporation's individual needs. Essentially, they are common sense dos and don'ts, applicable to the development's owners.

The bylaws can be changed by way of a Resolution ratified at a General Meeting of the Owners.

The Strata Council

The Strata Council is comprised of Owners who are elected by their fellow owners for the purposes of setting policy and seeing to it that the Strata Corporation operates smoothly.

The duties of the Council, their authorities, and election procedures are normally detailed in the bylaws.

Electing the Strata Council is one of the most important decisions you will make as an owner. The Council, in determining the policies for the Strata Corporation, is actually setting your lifestyle. Ultimately, the Strata Council is responsible for the management of the property and for ensuring that all corporate obligations are met. The Strata Council should focus its efforts on establishing and administering policies and rules and regulations, which ensure that the best interests of the Corporation are maintained. Another important duty is the development of an annual operating budget and the careful scrutiny of all receipts and disbursements.

Strata Council meetings are normally held on a regular basis, but are not a requirement of the Strata Property Act. If an Owner or group of Owners wishes to address the Council on a particular issue, notice of such should be given to the Strata Property Manager at least one week prior to the date of the meeting, to allow the “delegation” to be placed on the agenda for the meeting. Some Strata Councils have designed “open discussion” sessions at their meetings, at which time owners may address the Council on issues of concern.

Copies of the Council meeting minutes are normally distributed to all owners.

If you wish to take an active role in the Strata Corporation by serving on the Council, do not hesitate to place your name in nomination to Council at a forthcoming General Meeting or in the event that a vacancy occurs between General Meetings.

Professional Management

The management of the Strata Corporation has been assigned to **Davin Management Ltd.** While the Council is entrusted with establishing and long term goals for the Corporation, it is Management’s responsibility to carry out Council’s decisions in order to maximize the administrative effort.

Management’s primary concern is to ensure the protection of the interests of the owners. Hence, Management ensures that the Strata Corporation is adequately insured, that it is well maintained, that meetings are held as required under the Strata Property Act and proper minutes of the meetings kept, that proper books of account are maintained, and that good communication and harmony is created within the development. Management’s role is very much like that of a municipal manager acting for a municipal council. They advise the elected representatives on any matters regarding the operation of the Strata Corporation, and therefore carry out the instructions of the elected Strata Council.

Management assists the Strata Council in the enforcement of bylaws by notifying any owners who are in violation, following up on the notification, pursuing any direction given by the Strata Council within the jurisdiction of the Strata Property Act, and if necessary instituting legal action.

The Management Company provides financial management of the money paid to the Strata Corporation, as well as detailed and timely financial reports to the Strata Council. Owners who

are in arrears in their monthly assessments are contacted as part of the collections cycle established to ensure maximum payment of assessments.

Generally, at the direction of the Strata Council, the functions of management include, but are not limited to:

- arranging for the operation and maintenance of common facilities and services.
- hiring, firing, and supervising any employees of the Strata Corporation.
- collecting the monthly operating assessments from the owner.
- maintaining records of receipts and expenses.
- preparing regular financial statements.
- preparing for Council's review a recommended operating budget showing estimated income and proposed expenses.
- receiving and handling complaints or requests for information from Owners.
- assuring that any committees of the Corporation are operating properly.
- assuming other responsibilities as designated by the Strata Council, and reporting to Council on all management activities.

Your management personnel are highly experienced in the field of strata management and fulfill their duties in an efficient and professional manner.

Helpful Hints

While every owner has an obligation to their fellow owners and the Strata Corporation to be aware of and to abide by the bylaws, rules, regulations, and policies of the development, we have listed below some of the more important obligations of a townhouse owner. Please take the time to become familiar with them.

Assessment Payments

The Strata Property Act dictates how fees are calculated based on unit entitlement.

The monthly operating assessment may vary from year to year as the annual operating budget prepared each year is only an estimate of the anticipated costs of maintenance and operation of the Strata Corporation. With professional management and a competent Strata Council,

however, the estimated annual budget will be developed using historical data and sound budgeting practices, and in most instances, will be very close to the actual expenditures for the year. The Strata Corporation's proposed budget brought before the owners at a General Meeting will normally provide for the standards of maintenance, which the owners have come to expect.

In future years, monthly operating assessments may change for a number of reasons, such as fluctuations in the insurance premiums charged to the Corporation, changes in utility rates, or because the Council may wish to increase the funds held in the Corporation's Contingency Reserve Fund for major cost items such as building repainting, reroofing, or other capital works projects required to maintain the facilities or components of the Strata Corporation.

All monthly operating assessments are due on the first day of each and every month, in advance. The methods in which payment of the monthly operating assessment may be made are outlined elsewhere in these materials, and when submitting any payment, please make certain the strata lot number is clearly identified on the payment so that it may be credited to the correct account.

Communication

Effective and positive communication within a Strata Corporation is vital to its success. To make sure this occurs, all Owners have some very important responsibilities:

- Remain informed. Take the time to read the minutes of the Strata Council meetings as well as the various notices forwarded to all Owners. Attend the General Meetings held each year. The information provided will keep you aware of ongoing matters within the development as well as specific items of concern.
- When in doubt ask. If you are unsure about Strata Corporation policies or have a question about an action, which is being contemplated, contact our office and we would be more than happy to assist you in understanding the operations of the Strata Corporation.
- All Communications must be in writing. When registering a complaint, the Strata Corporation must receive written documentation of the incident in order to take action. Similarly, when making any requests of the Strata Corporation, a written request allows the matter to be brought before the Strata Council for resolution, with a written reply on Council's behalf to follow from the Manager. Written communication is seldom misunderstood and provides a lasting record of what has taken place.

Concerns

No one should be denied the right to speak out, for it is through the correction of grievances that change brings about progress. Yet, with every right comes a set of responsibilities necessary to properly and successfully exercise that right.

1. When making a complaint, an owner has a responsibility to accurately identify the problem in a fashion which is specific enough to assist those attempting to rectify the situation.
2. To make certain the problem is correctly communicated to the person ultimately responsible for its resolution, the owner has the responsibility to record the complaint in writing. Verbal complaints leave a wide margin for error in interpretation which can result in confusion or delays in rectifying the problem, and will not be acted upon.
3. The owner has the responsibility to courteously and respectfully render the complaint; otherwise, he or she becomes part of the problem rather than the solution.

Remember that the Strata Council as well as their appointed professional managers, has one overall objective – to protect the investment of all owners. This is accomplished through maintenance and improvement of the physical aesthetics and capital assets, and by ensuring a friendly and cooperative atmosphere within the community.

Emergencies

The Management Company maintains a 24-hour a day emergency answering service to receive emergency calls. To ensure as quick a response as possible to any emergency, it is critical for the caller to identify himself or herself, the location and nature of the emergency and where they can be reached for additional information.

Exterior Appearance

To retain a neat and uniform appearance, bylaws have been established which clearly outline what is permissible and what is not concerning the external appearances of the building(s) and landscaping and alterations thereto. Please review you bylaws carefully to see which, if any, of the restrictions apply.

Helping Management do a Better Job for You

To help the Manager to do the best possible job for the Strata Corporation, all owners are asked to keep in mind the following:

- Refrain from telling on-site employees or contractors what to do. The Management Company and Council are the sole supervisors of all employees and contractors. If you see something amiss contact our office.
- Do not attempt to protest a problem or issue of concern by withholding your monthly operating assessment payment. If you do this, you will only penalize yourself as well as other owners. The law imposes upon every owner the responsibility to pay a share of the

expenses for the common elements. If this is not done, the law allows the Strata Council to place a lien on the strata lot, with all costs incurred being added to the outstanding operating assessment balance. In addition, the maintenance programs may have to be curtailed, affecting services to everyone, or money must be borrowed to meet these costs which could, in turn, raise the monthly operating assessments the following year. The Strata Corporation would suffer as a result and the value of every Owner's unit could be lowered.

- If you decide to move from your Strata Lot or are changing a non-resident address, notify our office in order that accurate records are maintained. Without accurate records, you may not be notified of upcoming meetings and cannot continue to be well informed regarding the operations of the Strata Corporation.

Insurance

The Strata Property Act requires that the Strata Corporation maintain replacement value insurance on the buildings comprising the development. The Act permits the Strata Corporation to obtain any other such insurance as it deems desirable. This usually includes glass breakage coverage and liability insurance against third party claims and directors' liabilities.

Owners may sometimes be confused as to their insurance needs in a Strata Corporation. As a general rule, an owner is responsible for insuring personal belongings, any improvements made to the Strata Lot such as wallpaper, carpeting, etc., any goods or belongings stored on common property (such as in locker rooms or garages and carports), and must carry personal liability insurance in case he or she is named in a personal suit by a visitor or invitee. In the event that an owner decides not to insure a vehicle for road use, there is a requirement for the vehicle to be insured with at least off-road vehicle insurance containing a third party liability provision.

Noise

A substantial number of the complaints which we receive involve excessive noise. This is unfortunate since following a few common sense rules would help in reducing noise complaints. Some of these rules are noted below:

- Stereo speakers should be located away from common walls and placed on foam pads to avoid sound transmission, particularly bass sounds.
- The volume of radios, televisions, stereos and the like should be reduced in the late evening or early morning hours.
- Appliances such as dishwashers, washers and dryers, and kitchen or bathroom fans should not be turned on in the late evening or early morning hours.
- Cupboards, closet or patio doors should not be slammed shut.

- Parties or other social gatherings should not be excessively loud at any time, and in particular should be kept quiet late at night or early in the morning.

Parking

The parking rules/bylaws that are established for your Strata Corporation are routinely enforced and it is extremely important that all owners obey the rules established for parking. In particular, parking in the fire lanes is forbidden and the Strata Corporation may utilize the services of a towing contractor to have offending vehicles removed. Owners and visitors alike must pay particular attention to posted rules/bylaws governing visitor parking, assigned parking stalls, time limitations for parking, and speed limits.

Pets

Special attention must be paid to pets and pet regulations in any Strata Corporation. Irresponsible pet owners can create many problems for other owners, and to prevent unfortunate confrontations some Strata Corporations have adopted bylaws restricting or even prohibiting pets. Please be aware of any rules/bylaws pertaining to pets in your Strata Corporation, and if you are a pet owner, please observe some common sense courtesies: your pet should not be allowed to roam freely about the common property; it must remain quiet and not disturb neighbors or other owners and must be taken off the common property to relieve itself. Your cooperation in this regard will be greatly appreciated by your fellow owners. Additionally, the City of Surrey has a by-law requiring pet owners to pick-up after their pet on any city property.

Renting or Leasing of Your Strata Lot

The Strata Property Act requires any owner who rents or leases his or her strata lot (subject to any rental bylaws in place) to provide the Strata Corporation with a Form “K” – Tenants Undertaking, and also requires that the tenant abide by all bylaws and rules and regulations of the Corporation. Some Strata Corporations have supplemented the Act by requiring owners to submit Lease Permit Applications to the Strata Corporation for approval prior to renting or leasing the Strata Lot. In some cases, the Strata Corporation have established a maximum number of strata lots which may be rented or leased. Please refer to your bylaws for the policies governing rentals or leases in your Strata Corporation.

If you decide to rent your Strata Lot (provided such is allowed in the bylaws), please submit the required documentation so that we are aware of your tenants information, and your new mailing address.

Repairs Inside Your Unit

A frequent area of uncertainty for townhouse owners is the responsibility for repairs to facilities or contents within an individual owner's unit. Earlier in this Guide, we provided a definition of "common property" – areas which the Strata Corporation is responsible to maintain or repair. Other areas are owned by and therefore the responsibility of the Strata Lot owner, who must see to repairs. The cost of repair to areas not defined as common property and repairs to elements belonging exclusively to the individual owners will be the responsibility of that owner. The distinction between repairs of common property and elements owned by the owner is an important one which needs to be fully understood. If you are not sure of the responsibility for a particular repair, do not hesitate to contact our office for clarification.

Security

The same precautions taken by owners of single family homes to secure their residences and personal possessions should be taken by townhouse owners. Please follow these policies to make your Strata Corporation as safe and secure as possible.

- Be alert for the unusual and do not hesitate to inquire about the business of strangers in a polite and cordial manner.
- If planning to be away, have a neighbor check your home periodically and inform a Strata Council member of any extended absences.

We hope you enjoy your tenure as an owner at Montebello. If there is anything, that we can do at any time to assist you in this regard, please do not hesitate to contact any member of your management team.