

So you want to be a member of your Condo Board...now what?

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he Board of Directors will be elected or appointed at the Annual General Meeting ("AGM"). With all matters relating to Condominium Corporations you look first to the Act and then to the Bylaws. The Condominium Property Act (the "Act") provides that at least two-thirds of the Board Members must be Unit Owners or Mortgagees unless the Bylaws state otherwise. The Corporation's Bylaws will outline how many Board Members can be elected, usually providing a minimum and maximum for Board composition. You will also find eligibility requirements in your Bylaws, such as a member must be over 18 years of age, not in arrears and only one Owner per Unit may be a member of the Board.

Once the Board members are elected, the position each will hold is decided internally within the Board, usually at

the first meeting following the AGM. No single member of the Board has any greater power or authority than any other, nor are they permitted to make any decision unilaterally, regardless of the position held. All decisions of the Board are made by simple majority, with each Board Member having an equal vote, though the Chair of the Meeting is often given a casting vote in the event of a tie.

Under section 28(7) of the Act, the powers and duties of the Corporation shall be exercised and performed by the Board. The Board is elected by the Ownership to make decisions and take action on behalf of the Corporation. Effectively the Board is the Corporation's mind and voice. The Board is tasked with overseeing the control, management and administration of the entire project, including the property and assets of the Corporation, and must exercise their powers and discharge their duties honestly and in good faith.

The Board Members owe a Fiduciary
Duty to the Ownership. The Board
is managing and maintaining the
property and the contributions in
trust for the benefit of the Owners and
therefore must at all times act in the
Corporation's best interests. If a Board
Member makes a decision for personal



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interest or gain, they will not be discharging their duties honestly and in good faith. Board Members should be aware that acting in bad faith disentitles them to coverage or protection under the Directors & Officers liability portion of the Corporation's insurance policy.

In the event a Board Member has a conflict of interest they are required to disclose the conflict, should not participate in the Board's discussion and must abstain from voting. It is best that a Board Member in conflict not be present for any discussions relating to the issue in question. In this circumstance they are equal in status to any other Owner and Owners are not normally permitted to be present for the decision making process.

Decisions about the operation of the Corporation are within the authority and are the responsibility of the Board. Decisions are made by the Board based on many factors and after due consideration, and are for the benefit of the ownership as a whole rather than based on individual interests. To put decisions into the hands of the ownership is not advised. The Owners are not

privy to the information or knowledge held by a Board Member. If there is a particular issue the Board wants to put before the membership, it should be a discussion point only where Owners can ask questions and express their opinions.

The Condominium Corporation, through its Board, is responsible for not only the control, management and administration of the real and personal property and the Common Property, but also for enforcing the Corporation's Bylaws. Under section 32 of the Act the Bylaws of the Corporation are the equivalent of a contract, with all Owners being bound by that contract. The Board does not have the authority to waive compliance with the Bylaws (including for themselves). Any addition or alteration to the Bylaws can only be done by Special Resolution. Special Resolutions must be passed by not less than 75 per cent of the persons entitled to vote, representing not less than 75 per cent of the total Unit Factors.

Board Members are vital to the welfare of a project, as without a properly constituted Board the Corporation cannot operate. Being a member of the Board can be a very rewarding, though sometimes difficult experience. If you are a new Member of a Board or are considering standing for election there are resources available to assist, such as the Condominium Management courses offered through CCI.

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