

CONDO LAW FOR ALBERTANS

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Owning a New Condo: The Developer Turnover Process

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This booklet applies to the purchase of new and conversion condominium developments only.

During the construction and sales of new condos and conversions, a developer-appointed interim board runs the condo corporation. The *Condominium Property Act* outlines when and how the developer must turn over the condo corporation to the first owner elected board.

This booklet will provide an overview of the turnover process and a checklist of documents that the developer must provide to the first elected board.

Interim board

Within 30 days of registering a condominium plan, a developer must appoint an interim board. The names and addresses of interim board members are filed at land titles office. An interim board holds office until the first board is elected by the owners. Interim board members must follow standards of conduct in running the condominium corporation, including:

- Act honestly and in good faith with the best interests of the corporation
- Exercise care, diligence and skill that a reasonable person in similar circumstances would do
- Avoid conflict of interest
- Make reasonable efforts to pursue remedies or claims under warranties or insurance policies in connection with the corporation's property

Interim board members who fail to comply with their duties under the *Condominium Property Act* are guilty of an offence and if convicted, are liable for a fine.



TIP

Within 30 days of registering a condominium plan, a developer must appoint an interim board.

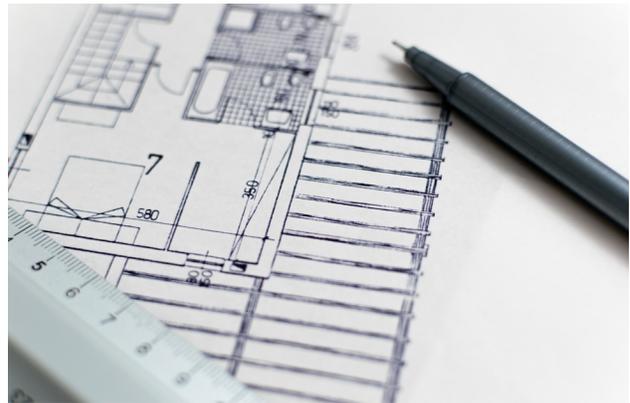
Meeting to Elect First Board

When a developer registers a condominium plan, it has 90 days from the day the certificates of title to units (representing 50% of unit factors) have been issued to hold a meeting to elect the first board. This meeting is also known as a “turnover meeting.” An owner can call the meeting if the developer does not do so within this time period. There are a number of documents that the developer and interim board must provide to the corporation at the meeting and following the election of the first board.

Document checklist

At the meeting to elect first board, the developer must, at no charge, provide to the corporation an original or copy of the following documents:

- Warranties and guarantees on the corporation's property
- Structural, electrical, mechanical and architectural working drawings and specifications, and as built drawings for the corporation's property
- Existing plans showing the location of underground utility services, sewer pipes and cable television lines
- Agreements to which the corporation is a party
- Certificates, approvals and permits issued by a municipality, Administrator under the *Safety Codes Act*, the Government or agent of the Government relating to the corporation's property
- Any building assessment report
- Any reserve fund report



At the meeting to elect first board, the interim board must also, at no charge, provide to the corporation the original or a copy of:

- all resolutions
- minutes
- other interim board records and documents

Once the first board is elected, the developer or interim board must provide the following additional documents to the elected board:

- ❑ Copies of all plans, documents and amended documents as required to be prepared under the *Safety Codes Act*
- ❑ Copy of all outstanding orders under the *Safety Codes Act*, *Municipal Government Act* or the *New Home Buyer Protection Act*
- ❑ Copy of the condominium plan and any redivision plan
- ❑ Copies of documents regarding the construction, installation, operation, maintenance, repair and servicing of the condo corporation's property such as:
 - manuals
 - schematic drawings
 - operating instructions
 - service guides
 - manufacturers' documentation
 - records of service and repairs
- ❑ List of interim board members
- ❑ Document with information on each unit and owner such as:
 - Name of owner
 - Owner unit number (as indicated on the condo plan)
 - Areas of exclusive possession assigned to owner
 - Unit's municipal address
 - Owner address (as indicated on the certificate of title) or any additional address for service
 - Unit factors
- ❑ List of names and addresses of all mortgagees who have given written notice to the corporation

- ❑ List of each tenant that the developer or interim board has been informed of, including unit number and amount of any deposit paid by the owner of a rented unit to the corporation
- ❑ Copy of any rules made by the interim board
- ❑ Copy of any unsatisfied court judgment or another decision-maker in proceedings which the corporation is a party
- ❑ Copy of any legal or other professional advice or opinions
- ❑ Copies of any financial documents such as:
 - any proposed budget or annual budget
 - any financial statements for the current fiscal year
 - any financial statements for previous fiscal years
- ❑ Copies of records relating to the financial institution account holding the corporation's funds (e.g., reserve fund and operating funds)
- ❑ Copies of all the corporation's tax records
- ❑ Copy of each lease, licence or other instrument granting an owner the right to exclusive possession
- ❑ Copy of any restrictive covenant registered against the parcel
- ❑ Copy of all caveats registered against units owned by the corporation or to be transferred to the corporation
- ❑ Copy of all the corporation's current insurance policies and certificates
- ❑ A converted property study or building assessment report (for conversion units)



TIP

See section 16.1(1) of the *Condominium Property Act* and section 20.2 of the *Condominium Property Regulation* for a detailed list of documents that a developer or interim board must provide at a meeting to elect first board and to the first elected board.

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This booklet was produced for the Condo Law for Albertans project by the Centre for Public Legal Education Alberta. For further information about condominium law in Alberta, visit www.CondoLawAlberta.ca.

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