

Appendix “C”

Condominium Manager Service Agreements

June 3, 2020

Condominium Manager Brokerages are required to enter into a service agreement with a condominium corporation before providing services to that corporation. Rule 43 is an existing rule that specifies written service agreements must be entered into for residential real estate, property management and dealing in mortgages. The provision of condominium management services has been added to this rule. Rule 109.4 is a new Rule specific to condominium management.

Current Rule with inclusion of Condominium Management Services

- 43 (1) Subject to these rules, an industry member who establishes a client relationship when trading in residential real estate, property management, when dealing in mortgages, or providing condominium management services, must enter into a written service agreement with that prospective client.
- (2) Every written service agreement shall:
- (a) be signed by the relevant parties;
 - (b) clearly show all terms and conditions of the agreement and shall include:
 - (i) the names of the parties to the agreement;
 - (ii) if applicable, the address or legal description of the property affected by the agreement;
 - (iii) if applicable, the date on which the agreement will become effective;
 - (iv) the duration of the agreement;
 - (v) the services to be provided by the brokerage or real estate appraiser;
 - (vi) the responsibilities of each party to the agreement;
 - (vii) the use and distribution of personal or confidential information;
 - (viii) the amount or method of calculating the remuneration or alternate compensation to be paid and the circumstances on which it will be payable;
 - (ix) provisions for the termination of the agreement; and
 - (c) provide that any amendment or addition to the terms of the agreement shall be in writing and signed by the relevant parties.
- (3) An industry member must deliver to the client a true copy of a service agreement and of any amendment or addition, immediately upon its signature.

There are services and requirements unique to the provision of condominium management services not included in rule 43 above. Rule 109.4 details those services and requirements.

New Rule to Specify Additional Content Required for Condominium Manager Service Agreements

- 109.4 In addition to the written service requirements in section 43 of the Rules, every written condominium management service agreement shall include:
- (a) an indication of whether the brokerage will be holding one or more of the following in trust:
 - (i) operating fund money;
 - (ii) reserve fund money;
 - (iii) special levy money; and
 - (iv) other amounts on behalf of the condominium corporation;
 - (b) the circumstances by which the agreement may be terminated;
 - (c) additional fees for services provided to the condominium corporation;
 - (d) any authority the condominium corporation delegates to the condominium manager;
 - (e) the scope of the authority of the condominium manager brokerage when acting on behalf of the condominium corporation, including any authority to:
 - (i) sign cheques or make disbursements on behalf of the condominium corporation;
 - (ii) enter into contracts on behalf of the condominium corporation; and
 - (iii) invest money held by the brokerage on behalf of the condominium corporation;
 - (f) the timing, frequency and nature of accounting statements and other records to be provided by the brokerage to the condominium corporation.
 - (g) a description of the records that are to be kept by the brokerage on behalf of the condominium corporation.