

review

Spring 2013 South Alberta Chapter

CCI South Alberta President's Message

By Stephen Cassady • President, CCI South Alberta Chapter

All organizations should have a natural life expectancy for their leadership – and that time has come for CCI South Alberta. After four years helming this organization – this fall I am going to step down (and yes, it looks like we have a good team in place to take over).

And there are really two groups of people I would like to reach out and give significant kudos to.

The first and primary is our members – the individuals, the professionals, the sponsors, and the corporation. Year in, year out, you support us and more importantly challenge the organization to move forward and succeed. It's amazing, but so many of you have expressed expectations of our chapter. You have not been passive in voice – but quite active. That's fantastic, and that's highly motivating. It's only because of you that your board works month in and month out (and they do), to better this organization.

The other is the people who have served on the chapter board for the last four years with me. Each of you are in part saints for always smiling at the new approaches and challenges I kept laying down for the organization, and you are as well freaking brilliant for taking those challenges and trumping them. Let me go farther, not only did you trump any challenge I put in front of you, you all delivered well beyond that. You are a board that has brought exceptional value and pride to our membership.

This board especially should be noted for taking on more responsibility. Four years ago we had an organization where all the power was centralized in the hands of the president, and now we have transferred that to our committees, which each board member participates on one or more of them. More importantly, the committees have been empowered – and now make real decisions. And I have to tell you, it's fun being a president that's given his power away to the committees and the board. Without reservation, it a great feeling to empower talented and energetic people (our board), people who are one and all way more talented than I, to exceed in what they do well.

That's really it. This is a chapter about our people – from members, to committee participants, to board volunteers; this is all here because of you. I've been exceptionally lucky to have the support I have been given by everyone in the chapter.

Anyways, it's time to retire these worn shoes. Let other people take the opportunity to shine brighter than I ever could. And I know that your continued support of the chapter will only reward you further as others take the helm.

And yeah, that's my final rant. ;-)

Stephen Cassady
President, CCI South Alberta

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South Alberta Chapter

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City making progress on a multi-family recycling strategy-

fter more than a year of consultations with residents, building owners, private recyclers and other groups, The City is making steady progress in developing a strategy for multi-family recycling for condo and apartment residents. Waste & Recycling Services has been connecting with residents, property owners and private recycling firms over the last 18 months to develop a strategy to broaden recycling opportunities for multifamily residences.

Work completed to date includes the following:

- A **telephone survey** of 500 multi-family residents was conducted in fall 2011 to determine current behaviours and attitudes towards recycling and organics management. Results showed that 90 per cent of residents support a multi-family recycling program.
- Waste & Recycling Services engaged industry stakeholders (recyclers, markets, rental and

- condominium association and environmental nongovernmental organizations) about how they wish to participate in the engagement process.
- · Stantec Consulting Ltd. was hired through a Request for Proposals process in early 2012, to develop and conduct the stakeholder engagement and develop a multifamily waste diversion strategy.
- As a starting point and to gain valuable insight on the issue, Stantec compiled a summary of multi-family waste diversion programs across North America.
- In July 2012, Stantec held three industry stakeholder focus groups to determine:
 - Opportunities and constraints to increasing recycling and organics diversion in multi-family dwellings;
 - · What an ideal program might look like; and
 - · What role The City should play in multi-family recycling.

Continued on page 4



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City making progress on a multi-family recycling strategy (cont'd)

- Stantec conducted an **online survey** in fall 2012 to learn about current waste management habits and thoughts on the future of multi-family waste diversion.
- An industry stakeholder workshop focusing on identifying solutions and options to enhance multifamily waste diversion was also held in fall 2012.

The City has now developed three potential strategy options from the information gathered in 2011 and 2012:

Option	Description	City's Role
Option 1 Bylaw mandating recycling	 All multi-family buildings/complexes would be required to provide recycling services for their residents for the same materials that are collected in the Blue Cart program. Each building/complex would negotiate their own contract with a private service provider. 	 Perform inspections to ensure compliance with bylaw. Respond to lack of service concerns with education and, ultimately, enforcement.
Option 2 City co-ordinated, privately serviced program	 City mandated program with an associated program charge. City contracts out all collection service to private recycling companies. 	 Set and collect program fee. Contract private service providers through a Request for Proposals process and manage those contracts. Determine how each building/complex is serviced and by whom. Respond to service concerns.
Option 3 City co-ordinated, mix of public and private collection services	 City mandated program with an associated program charge. City arranges for service, either by providing it or by contracting it out to private recycling companies. 	 Set and collect program fee. Contract private service providers through a Request for Proposals process and manage those contracts. Determine how each building/complex is serviced and by whom. Respond to service concerns. Provide collection service.

These three options were presented at two public open houses held in April 2013 and in an online discussion forum open from April 15 to May 5, 2013. Public participants in both the open houses and online discussion were shown three potential service options and asked to provide their thoughts on each model.

As the public engagement phase winds down, feedback gathered from the open houses and online discussion will be presented to industry stakeholders on May 30, 2013 to further develop the potential recycling strategy options.

Waste & Recycling Services will report back to Council by February 2014 on progress in multi-family recycling in Calgary, and provide recommendations for a multi-family recycling program that considers partnerships with the private sector to be implemented in the 2015 to 2017 business cycle.

For more information, visit calgary.ca and search "multi-family recycling".



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- Robyn Hauck Re/Max Realty Professionals Professional Member
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Note to all Members:

Your membership will be up for renewal June 30th. Renewal invoices will be sent out via email the first week of July.

Please ensure you renew early and update all contact information.

Did you miss one of our luncheons?

Did you know you can access PowerPoint presentations from our informative luncheons on our website as a member only privilege?

Head to www.ccisouthalberta.com and click on the Resources tab and members only resources.

Type in password: CCIMilestone and a list of current presentations is available to you.



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Shingle Roofing: What's below the surface is important-

By: Chris Love and Jonathan Maynard, Halsall Associates

The roof is leaking, the shingles look old, and the downspouts are dripping. It must be time to replace the roof... or is it?

Shingle roofs may seem simple, but a roof is actually a system of interconnected parts. Some of these parts are visible from the outside, but many are hidden in the attic. When it comes to assessing, improving, and replacing each of your roof's components, making the right decision can have a lasting impact on performance.

Assess Your Roof

To understand your roof's present condition and confirm if it is functioning properly, each roof component should ideally be assessed by an independent third-party roof professional, such as an engineer or roofing consultant. When identifying issues, the professional should also indicate if repair or replacement is required. Even if there are issues, such as leaks, dripping downspouts, or deteriorated shingles, this does not necessarily mean that you will have to replace the entire roof and drainage system.

Leaks should be addressed immediately to avoid damage to the underlying structure and interior finishes. Source the leakage point and repair it. If your downspouts are dripping, have your roofing contractor check for clogs or split joints. These simple and effective repairs can defer major expense.

Additionally, while deteriorated shingles are a sign of aging, they may still have a few years of remaining life. Your professional should be able to accurately identify their remaining life, saving your corporation money and buying you time to generate the necessary funds for full replacement.

Continued on page 8



Aged shingles have ragged edges and lose their coloured granules (see debris in the gutters)



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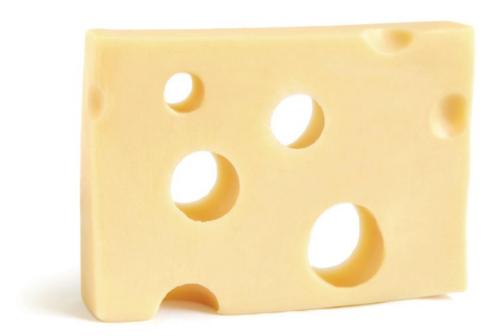
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Shingle Roofing: What's below the surface is important (cont'd)—

By: Chris Love and Jonathan Maynard, Halsall Associates

Checklist and Tips for Evaluating and Improving Your Roof Components

Asphalt Shingles and Plywood

What to look for	Tips
Missing shingles	Immediately replace missing shingles to avoid leaks
Worn or "curled" shingles	Replace worn shingles if they correspond to a leak location
 Loss of the coloured granules that protect the black asphalt shingle 	Redirect downspouts so water does not directly drain onto shingles
Increased gaps between shingles or tabs	If there are no leaks but there are large areas of worn shingles, plan and budget to replace shingles in the next one to three years
Staining/darkening on the plywood sheathing	Repair leaks above stained plywoodCheck for ventilation problems that could be causing
	 condensation on the wood Replace stained or rotten plywood when shingles are replaced



Use downspouts to direct water from upper to lower roofs; this reduces wear on the shingles.

Shingle Roofing: What's below the surface is important (cont'd)

By: Chris Love and Jonathan Maynard, Halsall Associates

Insulation and Air Seals

What to look for	Tips		
 The attic should be cold in winter (nearly the same temperature as outside) 	Add insulation to save energy and reduce ice damming (adding insulation to an older roof is not required by code)		
 Insulation thickness (min. R-41 is required for houses/ townhouses that fall under Part 9 of the 2006 Alberta Building Code) 	 Use soffit baffles to hold insulation away from soffit vents (see "Venting") Seal pot lights, wires and pipes to the air/vapour barrier under the insulation 		

Venting

What to look for	Tips
 You should be able to see daylight through the soffit vents (base of roof) and upper vents 	Pull insulation away from vents to allow free air movement
 There should be a minimum of 1 ft² of venting for every 300 ft² of attic space; vents should be balanced between soffits and upper ridge vents 	Add soffit and/or upper vents as required to remove warm air from the attic (this will help reduce ice damming)
 Check that bathroom and kitchen exhausts have sealed and insulated ducts, and are connected to an upper roof vent 	



Shingle Roofing: What's below the surface is important (cont'd)—

By: Chris Love and Jonathan Maynard, Halsall Associates

Flashings

What to look for	Tips
Rust, holes, or gaps in metal flashing	Repair/replace flashings at leak locations
Metal should lay flat against walls and be sealed to brick/	Replace hard/cracked caulking
siding	Install metal flashing at roof valleys and other drainage
Caulking around flashings should be flexible, not hard or	paths to reduce wear on shingles
cracked	

Gutters (Eavestroughs) and Drains

What to look for	Tips
Drips/leaks during or after a rain storm	Ensure gutters are free of debris
	Reslope gutters so they drain quickly
	Seal gutter joints to eliminate leaks
	Drain downspouts onto grade or into a rain barrel, not into weeping tile below grade



Ducts should be connected and sealed to the upper roof vents. The duct in this picture is not installed properly and allows warm, humid air from a bathroom fan to blow into the attic.

Shingle Roofing: What's below the surface is important (cont'd)

By: Chris Love and Jonathan Maynard, Halsall Associates

Ready to Replace

When the time comes to replace the entire roof, it's important to select the appropriate shingles and to ensure they are installed properly.

Standard 3-tab shingles typically have organic or glass fibre reinforcement and a 15- to 30-year life. Architectural or "laminated" shingles have a double-layer construction that increases their life by 15 to 25 per cent. They provide higher wind resistance and have an upgraded appearance, being available in many colours and textures. These shingles carry a warranty of up to 40 years. Today, there is typically a minimal cost premium to upgrade.

When replacing shingles, the roofer must provide waterproofing membrane at key locations, including the bottom roof edge (parallel to the gutters), along the valleys, and around vent stacks and chimneys. This is necessary to meet Code for long-term performance purposes. Nails should be installed through shingles according to Manufacturer's instructions.

Shingles "self-seal" in warmer months. If shingles are installed in winter, consider having the roofer apply a dab of caulking to each shingle to seal the tabs so they don't lift up in heavy winds.

Finally, make sure that membrane and metal flashings are properly installed so details are water-tight. Metal should look straight and flat. Screw heads should be sealed with a dab of caulking.

The bottom line

Seek the advice of a roof professional to help evaluate and manage your roof. Hire a roofer with proven experience, good references and a team-oriented attitude. Conduct small repairs periodically, and understand your options when it is time to replace the roof.



Waterproofing membrane (lighter grey) installed at base of roof and in valleys; roofing underlayment (black sheets) covers remaining plywood before the shingles are installed.

For more information on shingle roofing, please contact:



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The CCI & what it means to you

The source for info & action for condo residents -

By Maria Bartolotti

Dear Maria: I've heard of a group called the Canadian Condominium Institute and I'm wondering who they are and what they do?

Belonging to a professional institute brings increased professionalism, knowledge and awareness to your business, board and management style. A professional association like the Canadian Condominium Institute (CCI) can offer insight into how the industry works and how to navigate it.

The CCI is the Voice of Condominium in Canada. Formed in 1982, CCI remains the only national condominium focused association. They have four major objectives:

To Education

As the saying goes, "knowledge is power," CCI offers educational programs designed to inform its owners about condominium life. They help equip directors with the skills necessary to conduct the affairs of a corporation and to qualify managers to better administer the operations of the condominium through luncheons, workshops, classes and publications.

To Develop Standards

The CCI has developed standards in the areas of Law, Accounting, Property Management, Insurance and Real Estate. Through education and examination, the institute extends professional associate status upon those of its members who attain the required standards.

To Offer Referral Resources

Referral resources are made available to Members seeking professional services and information.

To Improve Legislation

The CCI represents condo owners/director issues at the government level when required.

The CCI operates primarily through Chapters across the country. The National membership meets during the Spring to discuss matters related to the industry, and once each fall for the Annual General Meeting. Day to day business at the National level is conducted through the National Board, its Executive, and various standing and ad hoc committees.

The CCI's Calgary chapter, in fact, has been heavily involved in giving input to inform provincial authorities on the ongoing study to revamp the Condo Act, which will have a big impact on the province's multi-family developments.

The CCI is proud to be an independent, non-profit organization dealing exclusively with condominium issues. Membership fees are based on \$4 per unit, with a minimum of \$100 a year to a maximum of \$260 a year.

When someone asks me "why should I join CCI?" the answer is simple. You have nothing to lose and everything to gain. As a long standing Board member and the President of the Education Committee, the value you receive from the institute as stated above is invaluable.

Maria Bartolotti is the ownermanager of New Concept Management Inc. She has developed a strong reputation for rendering timely and efficient services to the condominium



industry. Maria believes that her company's success hinges on her hands-on approach to condominium management as well as maintaining open lines of communications with her clientele. Maria is actively involved in her industry. For more information, visit www.newconceptmanagement.com

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If you feel that your condominium is a great place to live, then consider entering the CCI-South Alberta Chapter

Condo of the Year Contest



- * Tell us how your condo builds community spirit.
- * Tell us your story about something special/unique your condo has done.
- * Tell us if you have overcome any financial concerns.
- * Tell us about some unique features about your condo.



CCI invites all corporations to enter the Condo of the Year contest.

Finalists will be selected by the CCI South Alberta Chapter Awards Committee and the winner will be featured in an upcoming quarterly issue of the CCI Review Newsletter.

The winner will be announced at the 2013 Annual General Meeting September 24, 2013 and will be presented with a plaque for their corporation.

Share your success with the condo community!



Interested applicants should compete the form on the reverse side and submit to:

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It is a requirement your Condominium Corporation is a current member of the CCI South Alberta Chapter; are you a current member?



CCI Wants You To Join Our Committees!

As the South Alberta Chapter gears towards a more Committee based structure we are encouraging our members to come join us in one of our exciting committees. We currently have 6 Committees seeking new faces. Below are listings and descriptions of each. If you feel you have the time, drive and commitment to join our committee's please contact our Administrator Melanie for additional information.

Education Committee

The Education Committee is involved in all educational aspects of the Chapter such as our 101, 100, 200 & 300 courses, seminars and monthly luncheons. The Committee is responsible for new course development and all educational material.

Communication Committee

The Communication Committee is responsible for overseeing and implementing new initiatives in all media communications, newsletter and website.

Awards & Recognition Committee

The Recognition Committee is responsible in overseeing and reviewing the National ACCI, FCCI, DSA Award Submissions as well as local chapter awards and implementing the new Chapter of the Year award.

Membership Committee

The Membership Committee is responsible for recruitment, membership growth incentives and retaining memberships.

Government Communications Initiative Committee

The Government Communications Initiative Committee is working together to correspond with Municipal Officials around South Alberta. This Committee is actively involved in the New Home Warranty legislation changes and aims to bring forward issues pertaining to condominium living on a Municipal level.

Trade Show Committee

The Trade Show Committee is working on a joint venture in organizing a Trade Show for the CCI South Alberta Chapter and other organizations.



Thank you to Minister Bhullar-



SOUTH ALBERTA CHAPTER

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your condo connection

03 June 2013

The Right Honourable Manmeet Bhullar Minister of Service Alberta MLA Calgary-Greenway

Minister Bhullar -

CCI South Alberta thanks you and your government for the changes brought to the Condominium Property Act through Bill 24.

The change that was made solved a legislative uncertainty that was leaving thousands of Albertans in financial and operational limbo regarding their condominium corporation. It would be no exaggeration that change effected by Bill 24 resolved a dire problem affecting all bare-land condominiums.

Most importantly, we appreciate the timeliness in enacting the change to the Condominium Property. Our organization feels that you specifically went out of your way to rapidly understand the issue, consult for a solution, and then propose and pass legislative change in a rapid timeframe. It is appreciated to see such support from our elected representatives.

Minister Bhullar, CCI South Alberta thanks you and your government for your continued hard work and diligence in addressing the condominium sector's needs and pains.

Thank you -

Stephen Cassady President, CCI South Alberta

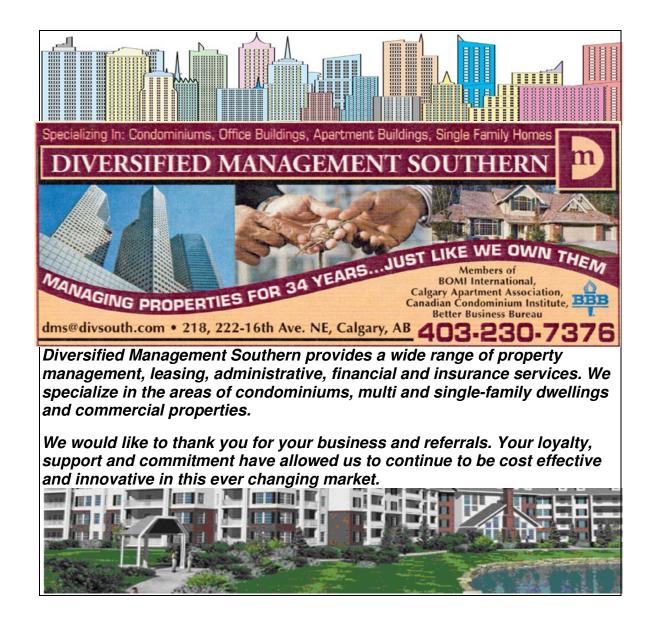
Summary of **Shores** Decision: Questions and Options

By John M. McDougall, SCOTT VENTURO LLP

n October 2012, the Alberta Court of Queen's Bench issued its decision in *Maciejko et al v. The Owners:*Condominium Plan No. 9821495 (the "Shores" decision).
The case dealt with a bareland condominium with townhouses that operated in what I would say is the "usual" bareland fashion. That is, the condominium units were marketed as "care free" and the bylaws contained a definition of "managed property" which the Corporation was responsible for maintaining. There was a Restrictive Covenant registered on individual unit titles that confirmed that fact. The Corporation had been collecting reserve fund assessments for the reserve fund, which included the maintenance of the managed property.

Without going through the mechanics of the entire decision, suffice it to say the Court concluded two major issues:

- The bylaws and Restrictive Covenant were upheld a bareland Condominium Corporation can be charged with the responsibility and obligation of maintaining what was defined as "managed property"; and
- The Condominium Property Act was clear that reserve funds and the collection of fees for same was exclusively for common property and there can be no precollection of funds to be put into a reserve fund for managed property.



Summary of **Shores** Decision: Questions and Options (cont'd)

By John M. McDougall, SCOTT VENTURO LLP

The Judge giving the decision was obviously unhappy in doing so as several pages of the decision are devoted to what he calls "the worst possible outcome from a business point of view" and he only suggests a change in the bylaws to a true bareland scenario or legislative amendment as the possible alternatives to the problem at the Shores, and presumably, other condominiums in the same position.

Not only has the Shores decision caused confusion and was appealed, it left lawyers in a situation of not being able to answer very appropriate questions posed from bareland condominium boards in the same position as the Shores, namely:

- Should bareland condominiums continue with collection of fees for the reserve funds (and if they do, could they be personally liable for doing so given they know about the Shores decision)?
- Can boards use the money in the reserve fund for expenses this year?
- Should the money that is in the reserve fund be paid back to the owners given it was collected improperly (and to whom, if there has been a change in ownership of units)?

The Government became aware of the problem that the Shores decision gives rise to, and indicated it would rectify that problem with an amendment to the legislation. It was not clear initially whether the legislative change would be by a "miscellaneous amendments" Act or to the *Condominium Property Act* when it is amended completely. While the miscellaneous legislation amendment would be quicker, it was not known when it would occur. Similarly, it was not known when the appeal of the decision would be heard, or what its outcome might be.

A number of options dealing with the Shores decision were discussed amongst condominium lawyers, and they were:

- 1. Amend the bylaws to true bareland bylaws as suggested by the Judge in Shores;
- 2. Amend the Condominium Plan to a conventional plan from a bareland plan;
- 3. Apply to Court for a stay of the Shores decision as it applies to a particular bareland condominium;
- 4. Do nothing and continue as before until someone challenges it.

Continued on page 20

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Summary of **Shores** Decision: Questions and Options (cont'd)

By John M. McDougall, SCOTT VENTURO LLP

There were numerous condominiums that did request lawyers to apply to the Alberta Court to have the decision in *Shores* revisited and perhaps stayed, however that was ultimately unnecessary as the Government made good on their promise to amend the legislation. On May 6th 2013 the government tabled bill 24 which amended Section 38 of the *Condominium Property Act* to provide as follows:

1(1) The Condominium Property Act is amended by this section.

- (2) Section 38 is amended
 - (a) in subsection (1) by striking out "and" at the end of clause (a), by adding "and" at the end of clause (b), and by adding the following after clause (b):
 - (c) any property of an owner in respect of a bare land unit that the corporation is required by bylaw to repair and replace,
 - (b) by adding the following after subsection (1):
 - (1.1) If, before the coming into force of subsection (1)(c), a corporation was required by bylaw to repair and replace property of an owner of a bare land unit, the collection and expenditure of funds to repair and replace that property are valid if
 - (a) the collection and expenditure occurred on or after the date the bylaw took effect under this Act, and
 - (b) the collection and expenditure would have been incompliance with subsection (1) if subsection (1)(c) had been in force at the time the collection and expenditure occurred.

The bill passed all three required readings in the first week it was introduced and then received royal assent and was proclaimed to become law on May 27th 2013. The amendment effectively solved most of the problems associated with the *Shores* decision listed above. It should be noted that the amendment does not resolve ALL issues dealing with the *Shores* decision. The amendment deals with property in respect of "bare land units" rather than all property that the bylaws require a condominium to repair manage and maintain. There could be issues where conventional condominiums are required to pre-collect money in a reserve fund for property that is not caught by the new amendments. Perhaps this will be dealt with when the entirety of the *Condominium Property Act* is amended through the review process that it is currently underway.



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Protecting Your Board's Investment with GICs

By Samir Desai B.Sc, B. Comm, RBC Dominion Securities

Guaranteed Investment Certificates (GICs) are often a popular choice for condominium managers, condo board members or individuals looking to invest without losing their initial capital.

But how can you get the most competitive rates when interest rates are low?

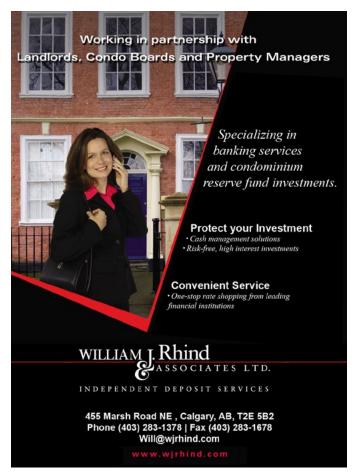
As an Investment Advisor, I often work with condominium management and boards who are faced with the dilemma of seeking growth in a low interest rate environment without wanting to lose the principal protection that fixed-income investments can provide. With interest rates as low as they have been, it can be hard to squeeze out a major interest payment from a GIC investment. But there are options for protecting and diversifying your investments without requiring you to take on additional risk.

"Diversification" is a term often used in equity investment discussions. In plain terms, diversification means spreading your investments across a range of sectors, geographic areas and asset classes to protect your portfolio from a downturn in one particular sector, asset class or region. But diversification can also be part of the discussion on GIC investing too.

The Canadian Deposit Insurance Corporation (CDIC), has certain rules to protect GIC investments. Namely, the CDIC insures eligible deposits at each CDIC member institution, up to a maximum of \$100,000 (principal and interest combined). If your condo board opens an account at any Canadian bank and invests in the GICs of that specific bank, then only \$100,000 (including interest) of the investment is protected in the event of the bank's default. If you took out a \$500,000 GIC at the same bank, you would still only be protected for \$100,000. So what if you want to protect an investment of \$500,000?

First, note that CDIC coverage is "per issuer." If you have \$500,000 in ABC Bank GICs, you are protected up to \$100,000. However you are protected for up to \$100,000 for each GIC offered by Bank ABC, Bank DEF, Bank GHI and so on.





Protecting Your Board's Investment with GICs (cont'd)-

By Samir Desai B.Sc, B.Comm, RBC Dominion Securities

Second, not all investment firms are created equally. Some can only offer their own products, while others can offer GICs and other fixed-income instruments from a variety of issuers. RBC Dominion Securities, for example, has access to GICs from over 32 different institutions. This means if you wanted to invest \$500,000 into a 1-year GIC, you could split the total investment across five or six other institutions' 1-year GIC offerings and still be protected for the total value, since each investment is provided from a different issuer. Better yet, firms with broader access can also "shop around" multiple issuers for the most competitive rates of return on your investment.

In this highly competitive environment, I've found many boards and condo managers appreciate this strategy not only for the higher rates that can access, but because it demonstrates their dedication to protecting the reserve fund – and their shareholders.

For more information on CDIC protection of GIC investments, visit www.cdic.ca.

This article is supplied by Samir Desai, an Investment Advisor with RBC Dominion Securities Inc. Member-Canadian Investor Protection Fund.

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As of June 1, 2013

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Aviara

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Cimmaron Pointe Condominium

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Condominium Plan 0312860

Condominium Plan 0211484

Condominium Plan 9210296 Condominium Plan 0212098 Condominium Plan 1111949 Condominium Plan 7711582

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Dreamview Village Edgemont

Dreamview Village Riverbend

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Evergreen Village

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- Professional Membership

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