Date Issued: October 13, 2023

File: CS-2022-001841 and CS-CC-2022-007245

Type: Societies and Cooperatives

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Indexed as: Edmonds Place Housing	Co-Operative v. (	Cadeau, 2023	BCCRT 877
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BETWEEN:

**EDMONDS PLACE HOUSING CO-OPERATIVE** 

**APPLICANT** 

AND:

CHRISTOPHER CADEAU

**RESPONDENT** 

AND:

**EDMONDS PLACE HOUSING CO-OPERATIVE** 

RESPONDENT BY COUNTERCLAIM

#### **REASONS FOR DECISION**

Tribunal Member: David Jiang

#### INTRODUCTION

- 1. This dispute is about money allegedly owed by each party to the other. The applicant, Edmonds Place Housing Co-Operative (Edmonds), is a housing cooperative. The respondent, Christopher Cadeau, is a former member and resident of Edmonds.
- Edmonds says Mr. Cadeau owes the following: housing charges for October and November 2020, maintenance costs, cleaning costs, and the cost of reversing unapproved alterations to his unit. It claims a total of \$4,481.25. A document called a share/move-out reconciliation sheet, discussed below, provides a breakdown of this amount.
- 3. Mr. Cadeau denies liability. He says he essentially paid for the October 2020 housing charges through the \$1,500 Edmonds retained from his original share purchase in the cooperative. He says he moved out before November 2020 so owes no housing charges for that month. He also says he reversed the alterations and cleaned the unit and is not responsible for any claimed damage.
- 4. Mr. Cadeau counterclaims for an alleged balance owing of \$60 for the return of the share purchase amount. He also says Edmonds repeatedly threatened to revoke his membership and treated him unfairly. He counterclaims \$2,205 as reimbursement for moving expenses. The counterclaims total \$2,265.
- 5. Edmonds denies liability. It says it applied the \$60 towards the amount Mr. Cadeau still owes. It also denies threatening or treating Mr. Cadeau in an unfairly prejudicial manner.
- 6. A board member represents Edmonds. Mr. Cadeau represents himself.
- 7. For the reasons that follow, I find Edmonds has proven part of its claims. I dismiss Mr. Cadeau's counterclaims.

#### JURISDICTION AND PROCEDURE

- 8. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over certain cooperative association claims under section 125 of the *Civil Resolution Tribunal Act* (CRTA). CRTA section 2 says the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness.
- 9. CRTA section 39 says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice and fairness.
- 10. CRTA section 42 says the CRT may accept as evidence information that it considers relevant, necessary and appropriate, even where the information would not be admissible in court. The CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
- 11. Under CRTA section 127, in resolving this dispute the CRT may order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

### **ISSUES**

- 12. The issues in these 2 disputes are as follows:
  - a. Must Mr. Cadeau reimburse Edmonds for reversing unapproved alterations?
  - b. Does Mr. Cadeau owe Edmonds for cleaning or repairs of the unit?
  - c. Does Mr. Cadeau owe Edmonds any amount for housing charges?
  - d. Must Edmonds reimburse Mr. Cadeau for any moving expenses?

e. Does Edmonds owe Mr. Cadeau any amount for redeeming his shares?

### **BACKGROUND, EVIDENCE AND ANALYSIS**

- 13. In a civil proceeding like this one, Edmonds and Mr. Cadeau must prove their respective claims and counterclaims on a balance of probabilities. This means more likely than not. I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision.
- 14. Edmonds did not provide reply submissions in dispute number CS-2022-008141. Mr. Cadeau did not provide any evidence in dispute number CS-CC-2022-007245. They both had the opportunity to do so. That said, I considered the parties' submissions and evidence globally in reaching my decision. This is because in each dispute, the parties are the same, the issues are linked, and the submissions overlap. Considering the submissions and evidence together avoids inconsistent findings.
- 15. A certificate shows that Edmonds was incorporated in August 1987. The memorandum of association shows that Edmonds' purposes include providing housing accommodation to its members. It is undisputed that Mr. Cadeau was a resident member until he moved out of his unit.
- 16. Section 13 of the Cooperative Association Act (CAA) requires cooperative associations like Edmonds to have rules. CAA section 18 says that rules generally bind the cooperative association, each member, and each investment shareholder. I find the applicable rules are those filed with the registrar in July 2015. They include an attached and binding occupancy agreement (OA) labelled Schedule A. There are also some amendments filed in October 2019 about smoking, which I discuss below.
- 17. The correspondence and submissions show that Mr. Cadeau and his family lived in an Edmonds unit for several years. On July 15, 2020, Edmonds' lawyer wrote Mr. Cadeau. The letter alleged that Mr. Cadeau had removed a wall in the laundry room of the unit to create access to the adjacent attic space. It also said that Mr. Cadeau was using the attic as another bedroom. The letter said that Mr. Cadeau had to restore

- the attic to its prior condition by August 12, 2020. The letter also advised that it had discovered the unauthorized alterations during a May 22, 2020 inspection.
- 18. Mr. Cadeau admitted to making alterations without permission in a July 27, 2020 email. These included removing "part of the wall" and replacing the flooring in the laundry room and attic space. Mr. Cadeau disputed whether he used the space as a bedroom, and whether anyone made unreasonable noise from the space, but I find nothing turns on either issue.
- 19. The alterations are also shown in Mr. Cadeau's attached "before and after" photos. Based on these photos, I find Mr. Cadeau removed nearly all of the dividing wall and substantially changed the flooring.
- 20. On August 31, 2020, Mr. Cadeau emailed Edmonds' directors. He said he wished to move out by October 31, 2020. OA section 17.01 sets out the procedure for withdrawal from the membership of Edmonds. In particular, OA section 17.01(b) says it may occur by the member giving at least 2 full calendar months' notice of withdrawal in writing, the time being calculated from the last day of the month in which notice is given. Based on the facts above, I find Mr. Cadea provided the appropriate notice of 2 months.
- 21. In September 2020, Edmonds emailed Mr. Cadeau to arrange inspections of the unit. A family member, KC, replied that they would only allow a video walkthrough. Edmonds agreed on the condition that Mr. Cadeau provide the video before October 7, 2020. Photos show that Mr. Cadeau reinstalled the wall. He says, and I accept, that he mudded the wall but did not paint it. He did not change the flooring.
- 22. Mr. Cadeau and his family moved out as anticipated. In a February 19, 2021 email, Edmonds sent the share/move-out reconciliation sheet. Some of the rules and OA sections are relevant to this sheet.
- 23. OA section 16.01(a) says that the OA is automatically terminated at noon on the effective date of withdrawal. OA section 17.02 says that upon withdrawal from or

- termination of membership, Edmonds shall redeem the member's shares in Edmonds in the amount and in the matter specified in the rules.
- 24. Rule 6.2 says that a person who withdraws from membership is entitled to a refund of the amount the member paid for shares if the member and all other residents have vacated the unit and paid all amounts due to Edmonds.
- 25. Rule 6.3 says that withdrawal, termination, or cessation of membership does not release the member from any debt or obligation owed to Edmonds.
- 26. In the sheet, Edmonds said that it owed Mr. Cadeau \$1,500 as a refund for the shares. It is undisputed that this amount is correct. Edmonds also said Mr. Cadeau owed \$2,880 for 2 months' worth of housing charges, \$250 in cleaning fees, \$288.75 for new replacement window blinds, \$1,312.50 for installing new flooring in the laundry room and attic areas, \$787.50 for painting and repairs of the storage area, and \$472.50 for an inspection of the alterations. According to the sheet, Mr. Cadeau owed the sum of \$4,491.25. Mr. Cadeau replied that he disagreed.
- 27. The above amount is slightly more than Edmonds' claim amount. However, as the discrepancy is not large, I find the sheet provides an approximately breakdown of Edmonds' claim.

## Issue #1. Must Mr. Cadeau reimburse Edmonds for reversing unapproved alterations?

- 28. OA section 9.01 says that members cannot make or permit structural alterations, changes, or additions to the unit, without the directors' prior written consent.
- 29. I have already determined that Mr. Cadeau made or permitted structural alterations, changes, and additions to the unit without the directors' prior written consent.
- 30. OA section 9.02 says that the member shall pay all costs of repair and restoration of the unit which results from such unapproved alterations, changes, or additions. Further, if the member refuses or neglects for a period of 30 days following receipt of written notice to repair and restore the unit to its original condition, then the directors

- without further notice may repair and restore the unit. The member must pay all costs Edmonds incurs in doing immediately upon written notice.
- 31. OA section 9.04(c) contains similar language that applies to unapproved alterations, upon withdrawal from or termination of membership.
- 32. I find that Mr. Cadeau received written notice through the July 15, 2020 letter. I find he did not repair or restore the unit to its original condition within 30 days as required. Photos show he replaced the wall without changing the flooring. So, I find Edmonds was entitled to repair and restore the unit without further notice to Mr. Cadeau, and that Mr. Cadeau had to pay the cost of doing so upon written notice. I find Mr. Cadea received notice on February 19, 2021 at the latest. This is when Edmonds emailed Mr. Cadeau about the amount owing.
- 33. The evidence for repair and restoration are supported by the following. An October 15, 2020 invoice for \$472.50 shows Edmonds' property manager inspected the alterations and prepared a health and safety report. A November 27, 2020 invoice shows Edmonds replaced the flooring for \$1,312.50 and painted and repaired the attic area for \$787.50. I find this work and the amounts fall within OA sections 9.02 and 9.04(c) and were reasonably necessary.
- 34. I acknowledge Mr. Cadeau's argument that he left the flooring in better condition than it was before he moved in. However, OA section 9.04(a) says that members do not receive any compensation for alterations, changes, or additions in the unit.
- 35. Mr. Cadeau also says that he should not be liable for painting the restored dividing wall. However, the "before" photos show it was painted previously. So, I find Edmonds can claim for painting the wall.
- 36. Mr. Cadeau also says that other members altered their units without consequence. I find this unproven on the evidence before me. In particular, I find it unproven that Edmonds ignored complaints about similar alterations in other units.
- 37. In summary, I find Mr. Cadeau is liable for a total of \$2,572.50. I will factor this sum into my payment order below.

## Issue #2. Does Mr. Cadeau owe Edmonds for cleaning or repairs of the unit?

- 38. As noted above, Edmonds claims \$250 for cleaning fees and \$275 to replace missing patio blinds in the unit. The cleaning fee is documented in a \$250 invoice dated December 4, 2020. The new blinds are shown in a \$288.75 invoice dated December 19, 2020.
- 39. Mr. Cadeau says he thoroughly cleaned the unit and used a carpet cleaning machine. He also says the blinds were present and in good condition, save for the main bedroom blinds, which were never installed. He says that Edmonds' contractor stored the blinds in its basement because Mr. Cadeau installed drapes instead.
- 40. The evidence shows that Edmonds first advised Mr. Cadeau that it spent money on cleaning and replacing the blinds in its February 19, 2021 email, mentioned earlier.
- 41. OA section 10.01 says the member must, at their own expense, keep the interior of the unit in good condition and repair. OA section 10.07 says that the directors must cause the unit to be inspected on, before, or within a reasonable time after withdrawal from or termination of membership and provide the member with a written list of cleaning, repairs, changes, alterations, and restorations which the member requires to be carried out at the member's expense.
- 42. OA section 10.08 governs what happens after the member vacates the unit. OA section 10.08(a) says the directors shall provide the member with a written schedule of estimated charges for cleaning, repairs, and changes not carried out prior to the member vacating. OA section 10.8(b) says that Edmonds may make repairs, changes, alterations, or restorations to the unit as necessary to put the unit in the required condition and state of repair. OA section 10.08(c) says the total of the charges is payable to Edmonds immediately on written notice to the member. Finally, OA section 10.08(d) says the directors may deduct the charges from the amount paid for the member's shares.
- 43. I am satisfied that the blinds were missing or removed as the evidence shows a contractor replaced them. Mr. Cadeau says that Edmonds had the blinds in storage.

However, there is no evidence to support this submission. So, I find replacing the blinds was necessary under OA section 10.8(b), and that Mr. Cadeau is liable under OA section 10.8(c) for the sum of \$288.75.

- 44. That said, I find it unproven that Mr. Cadeau is liable for the cleaning costs. Edmonds says it had to clean the unit after contractors finished further renovations. The November 27, 2020 invoice shows numerous renovations after Mr. Cadeau moved out that went beyond reversing the unapproved alterations. I outline these below under the next issue. The cleaning invoice is for December 2020, after the renovations were completed. I find that Edmonds would have likely incurred this cost in any event. So, I dismiss this part of Edmonds' claim.
- 45. In summary, I find Mr. Cadeau is liable for \$288.75, and factor this into my payment order below. I dismiss Edmonds' claim for the cleaning costs.

# Issue #3. Does Mr. Cadeau owe Edmonds any amount for housing charges?

- 46. Both parties agree that Mr. Cadeau is liable for the October 2022 housing charge of \$1,460. Edmonds says that Mr. Cadeau is also liable for the November 2020 housing charge. It says this is because it could not find another occupant for the unit due to cleaning and repairs it had to finish first, and because Mr. Cadeau refused entry for prospective renters.
- 47. Mr. Cadeau disputes owing the November 2020 housing charge. He says that he is not responsible for any delay Edmonds experienced in getting the unit ready for the next occupants.
- 48. As stated earlier, the parties agree that Mr. Cadeau was entitled to \$1,500 as a refund for the shares. Rules 6.2 through 6.4 say that Edmonds must provide Mr. Cadeau a refund subject to amounts owing to Edmonds. So, I find this leaves a \$40 balance in Mr. Cadeau's favour subject to any other proven claims or counterclaims.
- 49. OA section 4.01 says members must pay the housing charge on the first day of each month. I find that by November 1, 2020, the occupancy agreement had ended. The

- OA and rules do not state any obligation to pay housing charges if the room is not ready for another occupant. So, I find Edmonds essentially claims for damages equal to one months' worth of housing charges.
- 50. OA section 18.01 says in part that the rights and remedies in the OA are cumulative and are in addition to all common law and statutory rights and remedies. So, I find the OA and rules do not prevent Edmonds from seeking such damages.
- 51. That said, I find it unproven that Edmonds sustained the claimed loss of housing charges for November 2020. Mr. Cadeau says, and I agree, that Edmonds carried out substantial renovations that same month that went beyond reversing the alterations, discussed above. The contractor's invoice shows these renovations included installing new carpets, light fixtures, electrical receptacles, digital thermostats, a new mirror, sliding closet doors, a barn door, door handles, and painting the walls, ceilings, and doors in the entire unit. As the invoice for this work is dated November 27, 2020, I find it likely that the work took place that same month. I find that, given the scale of the work, Edmonds would not have reasonably been able to find a new occupant for November 2020.
- 52. In summary, I find that Edmonds is liable to Mr. Cadeau for \$40. My payment order will reflect this. I dismiss Edmonds' claim for damages equal to November 2020's housing charges.

### Issue #4. Must Edmonds reimburse Mr. Cadeau for any moving expenses?

- 53. Mr. Cadeau says that Edmonds failed to enforce its smoking policy. It says this eroded his enjoyment of his home and threatened the health and safety of his family. It also says Edmonds threatened to revoke his membership.
- 54. Edmonds disagrees. It says Mr. Cadeau prime motivation for moving was that he had purchased a house. It also says that it took steps to address the smoking issue. It denies threatening to revoke his membership.
- 55. I turn to the evidence. In March, July, and August 2019, Mr. Cadeau complained to Edmonds about secondhand smoke from their neighbors, the Rs. Mr. Cadeau

- acknowledges in submissions that he did not complain to Edmonds about smoking until more recently, when his family expanded to include children.
- 56. The Rs, in turn, complained that Mr. Cadeau left his window open so they could not smoke on their patio. At the time, OA section 7.04 prohibited smoking in most areas. However, members could apply under section 7.04(c) for an exemption. It allowed exempt member to smoke within their unit or on their patio. It is undisputed that the Rs were exempt members under this section and could therefore smoke in their unit or on their patio.
- 57. In October 2019 Edmonds passed a special resolution to amend the OA to remove the ability of exempted members to smoke on their patios. That same month, the Rs complained to Edmonds that Mr. Cadeau was harassing them, even though they were complying with the new smoking prohibitions under the OA. They also complained about previous verbal and physical assaults.
- 58. Mr. Cadeau further complained about the Rs smoking on their patio in an email dated September 25, 2019. The Rs subsequently hired a lawyer to write to Edmonds. In a November 29, 2019 letter, the lawyer said that Mr. Cadeau repeatedly asserted to the Rs that there was "no smoking on co-op property", even though the OA still allowed members to smoke in their unit. The lawyer also complained that Mr. Cadeau had breached OA section 7.02 by causing unreasonable noise.
- 59. OA section 7.02 is the "good neighbour provision". It says in part that members shall not use their unit in a way or engage in conduct that interferes with or disturbs other members' quiet or peaceful enjoyment of the development, or unreasonably annoys or interferes with the other members by sound, conduct, or other activity.
- 60. On January 20, 2020, Edmonds' lawyer wrote to Mr. Cadeau. They said that they had written to the Rs' lawyer. The lawyer warned the Rs that any secondhand smoke from the Rs could breach OA section 7.02. They also asked Mr. Cadeau to write Edmonds about any future secondhand smoke incidents.

- 61. Mr. Cadeau emailed Edmonds about unreasonable noise and rude conduct from the Rs on April 28 and June 25, 2020. The June 2020 email also included complaints about the position of the Rs' barbeque and garbage left in the yard. After this, Edmonds wrote another letter on July 15, 2020, about Mr. Cadeau's unapproved alterations, discussed above. Mr. Cadeau provided notice to move out on August 31, 2020, as stated earlier.
- 62. With that background, I turn to Mr. Cadeau's claim. I find that Mr. Cadeau essentially claims that Edmonds acted in an unfairly prejudicial manner. Previous CRT decisions have held that the test to prove a cooperative acted in an unfairly prejudicial manner is the same as the test for unfairly prejudicial conduct under the *Societies Act* and for significant unfairness under the *Strata Property Act*. See, for example, *Harding v. Meadow Walk Housing Co-operative*, 2021 BCCRT 1103 at paragraph 47. I agree with this reasoning. To be successful in this claim, I find Mr. Cadeau must show that Edmonds failed to meet his reasonable expectations and that, on an objective basis, that failure involved prejudicial consequences. See *Dalpadado v. North Bend Land Society*, 2018 BCSC 835 and *Dollan v. The Owners, Strata Plan BCS 1589*, 2012 BCCA 44.
- 63. The focus of the test for whether conduct is unfairly prejudicial is on the effect of the allegedly unfairly prejudicial conduct on the cooperative member, rather than on the intention of the cooperative in its conduct. See *Surrey Knights Junior Hockey v. The Pacific Junior Hockey League*, 2018 BCSC 1748, citing *Nystad v. Harcrest Apt. Ltd.*, 1986 CanLII 999 (BCSC)). As noted in *Dalpadado*, there must also be an element of inequity or unfairness to the conduct's effect.
- 64. Here, I find that Mr. Cadeau had a reasonable expectation that Edmonds would take steps to resolve complaints of any breaches of the rules and OA provisions. I find that Edmonds met these reasonable expectations. This is because the evidence shows that Edmonds took Mr. Cadeau's concerns about smoking seriously. For example, it facilitated the October 2019 vote that prohibited smoking on patios. It also wrote to Rs' lawyer in January 2020.

- 65. Further, I find that after the smoking rules changed, Edmonds still had to balance its response to Mr. Cadeau's complaints with Rs' assertions. These included 1) denials by the Rs that they breached the OA, 2) allegations that Mr. Cadeau incorrectly asserted that smoking was prohibited throughout Edmonds' property, and 3) allegations that Mr. Cadeau harassed the Rs. Edmonds' July 15, 2020 letter indicates that it linked its investigations into Rs' noise complaints with the unapproved alterations in the attic. So, I find this was not a situation where it was immediately obvious, on an objective basis, whether the Rs or Mr. Cadeau were in the right.
- 66. Finally, as noted above, Mr. Cadeau provided notice in late August 2020 that he would move out. I find this largely removed Edmonds' need to end the ongoing conflict between Mr. Cadeau and the Rs as it would resolve itself shortly.
- 67. I also disagree that Edmonds threatened Mr. Cadeau with termination of the membership. I find that, at most, Edmonds provided notice of the consequences of breaching the rules and OA, and that those included termination of membership. The notice included Edmonds' email of July 15, 2020, that focused on Mr. Cadeau's unapproved alterations. I find that, from an objective viewpoint, the letter was not "threatening".
- 68. I also find it unproven that Edmonds' failure resulted in prejudicial consequences. In particular, I find the evidence falls short of showing that Mr. Cadeau moved because of any alleged failure by Edmonds to respond to Mr. Cadeau's complaints.
- 69. For all those reasons, I dismiss this counterclaim.

## Issue #5. Does Edmonds owe Mr. Cadeau any amount for redeeming his shares?

70. As noted earlier, I have found that Edmonds owes Mr. Cadeau \$40. I have also found that Mr. Cadeau owes Edmonds \$2,572.50 for restoring the unapproved alterations, and \$288.75 for the replacement blinds. So, I find Mr. Cadeau owes Edmonds \$2,821.25 in debt under the rules and OA. I order him to pay this amount.

### CRT FEES, EXPENSES AND INTEREST

- 71. Under section 49 of the CRTA, and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I find Edmonds has been largely successful. So, I order Mr. Cadeau to reimburse Edmonds \$225 in CRT fees. The parties did not claim any specific dispute-related expenses.
- 72. The *Court Order Interest Act* applies to the CRT. Edmonds is entitled to prejudgment interest on the debt from February 19, 2021, the date of the reconciliation sheet and email, to the date of this decision. This equals \$143.90.

### **ORDERS**

- 73. I order that within 30 days of the date of this order, Mr. Cadeau pay Edmonds a total of \$3,190.15, broken down as follows:
  - a. \$2,821.25 in debt under the rules and OA,
  - b. \$143.90 in prejudgment interest under the Court Order Interest Act, and
  - c. \$225 in CRT fees.
- 74. Edmonds is entitled to post-judgment interest, as applicable.
- 75. I dismiss the balance of Edmonds' claims and Mr. Cadeau's counterclaims.

76.	Under section 57 of the CRTA, a validated copy of the CRT's order can be enforced
	through the British Columbia Supreme Court. Under section 58 of the CRTA, the
	order can be enforced through the British Columbia Provincial Court if it is an order
	for financial compensation or return of personal property under \$35,000. Once filed,
	a CRT order has the same force and effect as an order of the court that it is filed in.

David	d Jiang,	Tribunal	Member