

# Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-030

## Condo Smarts

Headline: Consult the pros when needed

Topic: Builder liens

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A Coquitlam building recently experienced the delays and unanticipated legal expenses in the course of two apartment sales.

The strata had replaced its aging piping system. The contractor they hired had ordered new piping, pumps and tanks from a construction supply company. When the project was complete and the equipment installed, the strata paid the contractor. However, it turned out the contractor had failed to pay for the supplies and materials. As a result, the supply company, which was unable to collect from the contractor, filed a builder's lien on all of the strata lots.

After legal intervention, the strata paid the lien amount into trust in order to be able to allow the sales to proceed.

The strata may find it will have to pay for the materials in addition to paying the contractor – and will have to proceed with court action to recover their loss.

**Strata Law:** The Strata Property Act prescribes that in performing their duties, the council must act honestly and in good faith with a view to the best interests of the strata corporation. They must also exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances.

**Tips:** Strata owners shouldn't confuse the expected performance of a council member with the assumption that council or a manager should know everything. Corporations will frequently avoid the advice of a certified professional, lawyer, engineer, certified accountant, or other professional because of the cost. However, this may be false savings. The proper contracts, terms, declarations and agreements are critical to avoid costly failures. Many business activities require no licensing but the true professional will insist on proper contracts, bonding, inspections and declarations to protect

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