

# Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-235

## Condo Smarts

Headline: 6-year-old invoice a scam?

Topic: Stale Invoices

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### Records, Documents and Contract Scams

Dear Condo Smarts: After 15 years of living in my strata and going through a leaky condo repair, I've decided to take my turn at being on council. In the first few months of council duties, our newly elected council have been faced with a number of challenges. The most difficult though is the bills that have suddenly appeared from the repairs completed on our project in 2001. Many of them were under \$500 or were credits that were never claimed, but one of concern was \$28,000 for consulting services that our strata has no records of. We have been advised that if we don't pay in 30 days, court action will commence for this outstanding amount. Our management company was newly hired in 2005 and since that time they have received no statements of any outstanding amounts of this nature. Do we have to pay this bill? If so, do we need a special general meeting of the owners to approve it?

- Jennifer Brown, Richmond

**Dear Jennifer:** There's a scam born every day, and I hate to admit it, but the scale of leaky condo repairs, and constantly changing strata councils and managers has left consumers vulnerable as easy targets.

Receiving a bill 6 years later for a consulting service sets off my alarm bells, but it may be valid. Before you dismiss it and get yourself into a costly legal dispute check the facts.

Is there a contract or agreement that exists with this consultant? If yes, were you

properly invoiced in accordance with the contract? When was it signed and who signed it? Do the strata records indicate any outstanding invoices for the completion of the project? Can this consultant provide any credible evidence of work actually performed and documented? Is there any evidence in the approved resolutions for the leaky condo repairs that the strata owners authorized the fees for this consultant?

Finally, if the contract was completed in 2001, when was the final report completed for the owners showing the final costs and balances and issuing rebates if any to the owners?

According to Allyson Baker, lawyer with Clark Wilson LLP, "the limitation period is 6 years from the breach if a valid contract existed, but a strata is advised to get legal advice on when the limitation period started to run and when it expired as there may still be some obligations that have to be resolved".

If you have to pay the amount you will be required to convene a special general meeting of the owners to authorize the payment by  $\frac{3}{4}$  vote either from the reserve funds or a special levy.

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