

# Condominium Home Owners Association

A non-profit association serving strata owners since 1976

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## Condo Smarts

Headline: Check your contracts: It really pays

Topic: Builder liens

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A Cranbrook strata owner discovered last week during the sale of his strata unit that a \$24,000 builder's lien had been filed against the strata corporation, complicating his sale.

The strata had undertaken to have major roofing and window repairs done last spring, and the contractor had performed the work to a satisfactory standard. The final invoice to the contractor was authorized by the council and paid by the manager. But the contractor did not pay his suppliers for the windows or roofing materials, leaving the strata on the hook.

To facilitate the sale, the strata has paid the amount into trust and are negotiating with the third-parties.

**Strata Law:** In the Strata Property Act, the strata council has the delegated authority of the corporation (owners). It makes decisions on things that might include a special project for a new roof and a special assessment to pay for it, on collecting strata fees, on paying the operating expenses, on supervising contracts and service agreements, on responding to emergencies and on convening meetings.

The council also has to act in the best interest of the strata corporation, but don't forget, most council members are volunteers - their experience and knowledge is limited.

**Tips:** A statutory declaration signed by the contractor before the final payment might have shielded the strata described above from the lien. A checklist of contract terms and conditions, along with a thorough legal review of the contracts, can save thousands of dollars in disputes and losses. Take the time necessary to review the agreements before you sign. It can make your strata business more successful.

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