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Construction Defect 201

Condominium Management Seminar
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DISCLAIMER

This presentation is for general informational purposes only and should not be construed as legal advice or a legal opinion on specific facts or circumstances, nor a solicitation of legal business.

We urge you to consult your own attorney concerning your particular factual situation and any specific legal questions you may have.

No attorney-client relationship attaches as a result of any exchange of information.



Construction Defect 201

- History Lesson

- CD claims 1990s – 2003
- CD claims 2003-2008
- CD claims 2009- Present

- Present Factors

- Insurance
- Dissolution/Bankruptcy
- Limited Assets
- FHA/HUD guidelines
- Down market/ financial doldrums/ foreclosures



Construction Defect 201

- Board mindset

- The “good ol’ days”
- Today: distrust, fear, pessimism is rampant
- Paralysis
- No special assessments or foreclosures on “our watch”

Construction Defect 201

- Combating Obstacles

- Notice Declarant at turnover
- Respond to bankruptcy notices
- Review insurance upon turnover
- Request list of subcontractors at turnover
 - Notice subcontractors
- Review HOA's policy
- Ensure developer is paying appropriate assessments

Construction Defect 201

- Effective game plan
 - Face fear and anxiety head-on
 - Assemble a team
 - Formulate a plan and then address the HOA
- Nuts & bolts
 - Investigation
 - Homeowner surveys
 - Realistic and pragmatic scope

Construction Defect 201

- Working with the Declarant
 - ER 408 agreements
 - Litigation?
- Post \$ recovery (if there is one)
 - Scope of repair
 - Value engineering
 - Alternative sources of funding

Construction Defect 201

- What the future holds (2012 and beyond)
 - Status of construction
 - Conversions
 - Apartments to condos (RCW 64.55)
 - Older projects where legal rights have expired

QUESTIONS?

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