

Condominiums: Opportunities and Pitfalls

Condominium Conversions

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Presented By:

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Overview

- Developer Due Diligence
- Required Disclosures Under the WCA
- Potential Litigation Pitfalls
- Statute of Limitations
- Transition to HOA
- Questions

**How's it work?
(Practical Presentation)**

Developer Due Diligence

■ Corporate offices of We Build `Em, LLC

Condo I

- POS before August 1, 2005
- Declarant owner of existing apartment complex

Condo II

- POS after August 1, 2005
- Declarant new purchaser of existing apartment complex

Required Disclosures Under the WCA

■ Corporate offices of We Build 'Em, LLC

Condo I

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- Declarant owner of existing apartment complex

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Potential Litigation Pitfalls

- **Scope of Investigations**
- **Knowledge of Original Construction**
- **Failure to Provide POS**
- **Damages**
 - Condo Act
 - *Kelsey Lane HOA v. Kelsey Lane Co., Inc.*
 - Rescission
- **Disclaimers**
 - *Marina Cove COA v. Isabella Estates*

Statute of Limitations

- **Home of board president for Garden Court Pointe COA**

- **RCW 64.34.452(2)(b)**

Jan/2002 - First Unit Sold

Jan/2003 - Re-siding Complete

Jan/2004 - Last Unit Sold/Transition

June 2006 - *File lawsuit?*

Statute of Limitations (con't)

■ Claims (other than .443 & .445)

- POS omissions / misrepresentations (.405/.410/.415)
- Duty to provide documentation (.312)
- Breach of fiduciary duty (.308)
- Declarant's torts (.344)
- Duty to repair (.308/.344)
- CPA (19.86, *et seq.*)
- Implied warranty of habitability (??)

Transition to HOA

- **Corporate office of We Build `Em, LLC**
 - Notice to resident tenants
 - No immediate vacating
 - Offer to tenant to buy
 - List of housing code violations (POS)
 - Repair the violations
 - Warrant the repairs
 - Repair fund
 - Relocation fund

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