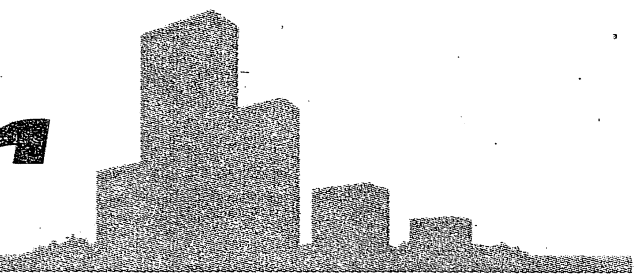


Hi-Riser



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Lawsuit highlights need to scrutinize contractors

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While lawsuits against unlicensed contractors are common in South Florida condo communities, a recent case in Boca Raton had an unusual twist: The unlicensed contractor was also the condo board's president.

The Boca Raton condo owner, Don Nadick, won a \$400,000 court judgment against the contractor, who allegedly falsified invoices and violated the terms of his contract by charging triple what he was paying his subcontractors, according to the *Sun Sentinel*.

Experts say the case highlights the need for condo associations and owners to take the extra time to ensure that contractors are licensed and

insured. And along with doing their due diligence when hiring contractors, owners and associations also need to do their homework when it comes to hiring board members.

When considering a board member, real estate attorney Joshua Krut of Weiss, Serota, Helfman, Pastoriza, Cole & Boniske, P.L. said associations should ask for a license, references and a resume to see how they've managed other communities.

"Sometimes people join boards to drum up business for themselves, and it's legal to do that unless condo rules prohibit it," Krut said. "It's a rare thing, because most people don't [often] mix

their personal business with the association business, but it can happen."

If associations don't have the language in their governing documents to prohibit board members from mixing personal business, Krut said he recommends drafting a policy immediately — particularly with hurricane season set to peak in August and September.

After a storm, many associations are inundated with calls from contractors offering services. Krut said associations can speed their recovery by checking to see whether the contractor is properly licensed and insured.

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When hiring contractors, owners, too, should confirm their license, ensure proper insurance cover-

age and ask for examples of previous work. If construction is occurring inside an individual unit, associations are advised to inform workers of the building's

rules governing what and where equipment can be brought in. They should also review the contract and draft a policy to ensure that all work done inside the

unit is properly permitted.

Krut said he suggests not only verifying the license, but getting a copy of it, as well as reviewing the contract

with the association attorney in order to ensure the association is covered for any liability.

The Florida Department of Business and Professional Regula-

tion has a website that enables condo owners and associations to check for valid licenses. Visit www.myfloridalicense.com and click on "Verify A License."