



► BLOCK KIDS IS A NATIONAL NAWIC PROGRAM THAT INTRODUCES GRADE SCHOOL CHILDREN TO THE CONSTRUCTION INDUSTRY



► CAD DRAFTING COMPETITION IS DESIGNED FOR SENIOR HIGH SCHOOL STUDENTS FOR RECOGNITION OF THEIR CREATIVITY AND PROBLEM SOLVING IN PREPARING DRAWINGS



► LEADERSHIP & GROWTH IS OUR SPECIALTY. WE'RE HERE TO HELP YOU SUCCEED IN THE CONSTRUCTION INDUSTRY

NAWIC

Newsletter

monthly

CORE PURPOSE:

To Enhance the Success of Women in the Construction Industry

Shoddy Construction??

excerpt from Seattle PI, Mark Ericks

When you buy a home, you're making the biggest purchase of your life....So if there's a major problem with your home, it's not the same as a problem with your family's car. Flawed construction can turn the American dream of owning a home into a nightmare.

If you buy a new home, it shouldn't have major problems. The basement shouldn't flood. The roof shouldn't leak....So the best way to protect homeowners is to focus on preventing those problems in the first place and finding avenues of relief for homeowners that don't have to involve the costs and stress of litigation.

To protect homeowners, we're proposing a three-part proposal:

- Strengthen contractor licensing. This will prevent many home defects from happening in the first place since a

small minority of untrained and unethical contractors causes the majority of home defects. Stronger licensing will weed out the bad contractors and help identify those who go out of business, only to pop up using a different name a few weeks later.

- Protect consumers. We propose the creation of a statewide office dedicated to consumer protection for home construction and repair. This office will be a one-stop shop for information, counseling and advocacy for homeowners needing to find a licensed contractor, check references, identify best practices and learn their rights.
- Establish quicker relief for home defects. To tackle the issue of quicker remedies, we're establishing a task force on home construction to bring proposals to us next session, because

these changes will take new law.

The task force will examine remedies that are much cheaper and quicker than taking it to court. The task force will look at warranties, arbitration, mediation and construction liens.

I believe it's worth our time to get this right. Owning a new home is something many of us dream about, and accomplishing that dream takes a lot of work and sweat and saving. It's a dream worth protecting.

To see full article, go to:

http://seattlepi.nwsource.com/opinion/355333_home18.html



www.nawicpugetsound.org

Upcoming Meetings

On Monday, April 14th, NAWIC will host *New Human Resources Legislation - What You Need to Know to Comply* at the Construction Center of Excellence, Renton Technical College.

Julie Bacon, President of JB Consulting Systems, is the guest speaker. This event is open to guests. Please RSVP at www.nawicpugetsound.org or contact Nicole Lamanna at 425-289-1774 or via e-mail at nicolel@fergusonconstruction.com



On Monday, May 12, 2008, NAWIC will have Kelli Powell present *The Permit Maze* at Grazie's Italian Ristorante in Bothell.

Legal-Related News

Affecting the construction industry

By Brenda Molner

This article was developed for informational purposes and should not be viewed or relied upon as legal advice. Ater Wynne LLP urges readers to consult legal counsel regarding specific legal issues and factual circumstances.



Project Risk Does Not End At Project Completion

A recent decision by the Washington Court of Appeals, Division One, emphasized one of the risks a general contractor bears with any project: that its subcontractor may not be in business when a warranty or other claim related to the subcontractor's work is asserted by the owner. Although the subcontracts used by some general contractors may arguably unfairly shift the risk of nonpayment and other concerns to the subcontractors, regardless of the language of the subcontract, if the subcontracting entity has legally dissolved, the general contractor may be left "holding the bag" for the subcontractor's defective work.

In *Belltown Waterproofing, Inc., v. Clear Brook Construction*, a condominium homeowners' association brought construction defect claims against the condo developer. The developer then asserted related claims against the general contractor, Clear Brook Construction Limited ("Clear Brook"), for the condominium project. Finally, Clear Brook brought claims against a subcontractor, Belltown Waterproofing LLC ("Belltown"), a dissolved limited liability company. Belltown moved for summary judgment alleging that the claims against it were

barred by statute of limitations.

The Court of Appeals ruled that the "effective date of dissolution" of Belltown, an administratively dissolved limited liability company under the Washington Limited Liability Company Act (LLCA), was three years from the date of administrative dissolution, not the date the Belltown's certificate of formation was cancelled. The LLCA provides that the affairs of a LLC that is administratively dissolved are "wound up" and its certificate of formation is cancelled two years after the administrative dissolution date. The LLCA bars suits against dissolved LLCs which are commenced more than three years after the effective date of dissolution of the LLC. Accordingly, Clear Brooks construction defect claims against Belltown was barred by the statute of limitations.

The case aptly demonstrates that a general contractor's potential risk does not end at project completion. Clear Brook is not the first and will certainly not be the last general contractor to get caught in the middle between an owner's claim brought against the general contractor within, but near the end of, the applicable statute of limitations, and the applicable statute of limitations and/or statute of repose the general contractor

must meet in order to timely bring its claims against its subcontractors. In some situations, by the time the owner brings its claim it may be too late for the general contractor to pursue related contribution, indemnity, or other claims against its subcontractors.

Conversely, it is also a cautionary tale for subcontractors. Subcontractors no longer doing business should quickly and officially wind up the affairs of the company in order to start the clock ticking on when claims may still be brought against the entity. In addition to the dissolution and winding up process utilized in the *Belltown* case, the LLCA provides other options for LLC owners who are closing their business.

Update on the Drive-Time Issue

In the February issue of the newsletter I discussed the industry's reaction to the *Stevens v. Brink's Home Sec., Inc* drive-time case and legislation proposed to ease the impact of the case. Although both a house and senate bill was proposed in the Washington legislature to address the issue, neither bill made it out of committee. So for the time being employers, hopefully with the help of counsel, are left to find their own solutions. The drive-time issue is sure to be the subject of intense negotiation in the next round of labor talks.

SPONSORS & ADVERTISERS

Brenda S. Molner
Ater Wynne LLP
ATTORNEYS AT LAW
1000 1st Ave. S.E.
Burien, WA 98148
Phone: (206) 835-1211
Fax: (206) 835-1212
www.aterwynne.com

Keston Technical College is the state-designated
Construction Center of Excellence
The Center is due to part in our strong industry connection and educational leadership.
Check our website, www.KTC.edu/CommunityResources/CEE
Contact us by calling (425) 235-2352, ext. 2217

Justin "Cody" C. Jewell
President
OLYMPIAN PRECAST, INC.
3900 UNIVERSITY BLVD.
REDMOND, WA 98053
PHONE: (425) 882-5000
FAX: (425) 882-1000
www.olympianprecast.com

Auburn Mechanical

MacDonald-Miller
Facility Solutions, Inc.
PO Box 47000
Seattle, WA 98146
1111 Grand Avenue DR
Seattle, WA 98108

WASHINGTON AIR REPS
INC.

Keithly Electric Company

FERGUSON CONSTRUCTION
Seattle, WA

BELIEVE in ourselves
PERSEVERE with the strength of our convictions
DARE to move into new horizons