



## If You Build It, They Will Sue: A White Paper on Condominium Projects

We hope you enjoyed the White Paper and have learned much about the risks of condominium projects. The following 10 questions cover essential facts about the White Paper you have just read. Please circle your answer to each question, scan the completed test and email it to [AIATrust@aia.org](mailto:AIATrust@aia.org) along with your name and AIA member number. After we receive your test we will add the Learning Unit to your online transcript and will email the answer sheet with the correct responses to you.

1. The plaintiff in the Beacon case was:
  - a. The developer
  - b. The contractor
  - c. The Home Owner's Association
  
2. The Court in the Beacon case focused on which of the following factors:
  - a. The connection between the architect's conduct and the HOA's injury
  - b. The type of building constructed
  - c. The limited class of persons affected by the architect's conduct

a & b      a & c      all of the above
  
3. Tips for proactively avoiding liability on a condominium project include:
  - a. Iron-clad scope of services
  - b. Indemnity or limitation of liability that includes third party claims
  - c. Contract provisions requiring protective language in the Purchase and Sales Agreements and CC&Rs

a & b      a & c      all of the above
  
4. Condominium client developers often limit their own liability by forming a "dual purpose entity"
  - a. True
  - b. False
  
5. Attributes of a client developer who manages its risks includes:
  - a. Good litigation history and track record
  - b. Contingencies set aside for HOA repairs and claims
  - c. Company strength and longevity

a              a & b              all of the above

6. Important contract provisions for a condominium project include:
- a. Good indemnity language
  - b. Restricted consent to assignment provisions
  - c. Waiver of consequential damages
  - d. Limitation of liability clause
- a, b & c    a, c & d    all of the above
7. The architect can always protect itself against third party beneficiaries in the services contract
- a. True
  - b. False
8. A Certificate of Merit can be required in the architect's services agreement as a condition precedent for other parties bringing a lawsuit
- a. True
  - b. False
9. Maintenance requirements and manuals in CC&Rs and Purchase Agreements have no beneficial effect in protecting against risk on a condominium project
- a. True
  - b. False
10. The architect should be allowed to review and comment on the developer documents related to maintenance, inspections, insurance and HOA obligations
- a. True
  - b. False