



Don't Fall Asleep at the Switch

Like other businesses, multi-family vendors need to worry about getting paid. To protect those rights, you need to know specific limitations and deadlines on your claims. If you fall asleep at the switch and fail to timely enforce your rights, your claim may fail.

Statutory and Contractual Limitations

Statutes of limitations are the laws which impose time limits on your right to file suit. Each state sets forth different time limits for different causes of action. Some of these time frames vary wildly from state to state and claim to claim. Laws also vary on when the statute of limitations starts. In some cases the clock starts when the "injury" occurred. In others, the trigger is when the "injury" was discovered. Thus, it is critical to be aware of not only the time limitations, but also when that time period started to run.

Statutes of limitations are sometimes modified by contract. Depending on the state, you may be able to shorten and/or lengthen the jurisdictional statute of limitations period. Therefore, it is important to not only know the applicable statute of limitations, but also any modifications to that time period in the contract you are signing.

Lien Claims

Contractors performing work may assert lien claims. Similarly, associations may have liens for unpaid dues. Both mechanic's liens and dues liens are technical claims with specific parameters, requirements and deadlines. Failing to adhere to the particular requirements can, and likely will, result in the lien claim failing.

Conclusion

Statutes of limitations, contract provisions and lien statutes can all work against you or for you in the case of a claim. Your timing under these provisions can mean a claim surviving or failing completely independent of the merits of the case. Therefore, as a business you should not only be familiar with the rules of your home jurisdiction, but also wherever you are providing services or performing work.

By Timothy R. Hughes & Alison R. Mullins

This article is not intended to provide specific legal advice, but instead as general commentary regarding legal matters. You should consult with an attorney regarding your legal issues, as the advice you may receive will depend upon your facts and the laws of your jurisdiction.

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Alison R. Mullins, Esq., was an associate with Hughes & Associates, PLLC at the time she wrote this article. She is now an associate with Rees Broome, PC. and can be reached at amullins@reesbroome.com