

## City reaches settlement on Lakeview Terraces

(Penticton, BC – May 28, 2018) – Following the conclusion of a multi-party mediated process, the City of Penticton has agreed to contribute \$1.15 million towards its share of a settlement negotiated with the Lakeview Terraces Strata Corporation.

Lakeview Terraces is a condominium complex comprising 50 residential and four commercial units. A structural review in 2010 found material, drainage and inspection deficiencies that the Lakeview Terraces Strata Corporation argued were caused during construction and, with the passing of time, negatively influenced the complex's condition.

The City was one of several parties involved in the complex's construction and subsequent settlement negotiations.

"The alignment of several unfortunate circumstances created a challenging situation for the residents and unit owners at Lakeview Terraces", said Chief Administrative Officer, Peter Weeber. "Having reached this settlement, the City is hopeful that any remaining issues surrounding this property will now proceed to a successful resolution."

### Background:

- Construction of the Lakeview Terraces complex began in 2004 and was completed in 2006. In 2010 legal proceedings commenced based on findings drawn from a five-year warranty review. In 2017 the first of two mediations was held. Settlement was reached following the conclusion of the second mediation in 2018.
- Although an outcome was not reached until 2018, the City anticipated the likelihood of a settlement being awarded and budgeted accordingly.
- BC's leaky condo crisis came to a head in the late 90s, primarily in coastal areas with high precipitation. Susceptible structures located in dry interior regions, like the Okanagan, were not of initial concern.
- In response to the leaky condo crisis, BC's Building Code (BCBC) saw significant changes leading to new and more rigorous standards being established 2006.
- The Lakeview Terraces complex was constructed using the 1998 BCBC.

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### Contact:

Peter Weeber  
Chief Administrative Officer  
City of Penticton  
250-490-2407