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Community Association Product for Breach of Contract

Claim Examples

- ▶ Smith Paint & Construction Co. was hired to paint the interior of the association, as well as remove and replace deteriorated woodwork. As the project proceeded, it appeared the woodwork was in worse condition than the Association had anticipated, and so more work was required. Additional work orders were provided to the board detailing labor and costs. However, once the project was completed, the total costs exceeded \$300,000, which was much larger than the amount the board had originally agreed upon. Smith alleges that all additional costs were authorized. However, the property manager and board showed that not all of the work orders were signed by a representative of the Association. Furthermore, much of the woodwork was not completely and satisfactorily repaired. As a result, the board refused to pay the remainder of the costs, which totaled \$100,000. In response, Smith filed suit for Breach of Contract. A settlement was reached at \$60,000 to Smith, but nearly \$180,000 was spent in defense costs.
- ▶ The Community Association Board entertained bids by companies to waterproof the deck around their pool. The contract was worth approximately \$120,000. ABC Company submitted the lowest bid and was told the work would have to be started in 3 months and completed in 2 weeks. ABC Company bought a performance bond and blocked off the necessary time by refusing to take on other jobs. The Board was having other work done around the pool and encountered problems. A week before ABC Company was to begin work, the Board notified them they could not start and that it might be another 3 months before they could come on the site. ABC Company sued the Board for breach of contract.
- ▶ Sunny Acres Association contracted with OK Management Services for 3 years of service. After the first year, the Board had issued multiple notices to OK regarding inadequate repairs, and generally poor service. Eventually, the Board decided to terminate the contract, because of their dissatisfaction with the management service. OK shortly thereafter filed suit alleging breach of contract because they were not given appropriate notice.
- ▶ TLC Landscaping was hired to maintain the landscaping as well as plowing the parking lot in the winters. The contract for snow removal stated that TLC would be on site between 6:30AM and 7:30AM when there was inclement weather. However, the association's property manager complained that TLC would regularly show up after 9:00AM. Additionally, TLC had caused damage not only to the parking lot, but also to several members' cars. The final straw involved TLC neglecting to remove a dangling limb, which eventually damaged a car. Soon after, TLC's contract was terminated. The association withheld the remainder of the plowing fees until they could ascertain the damage done. TLC alleged they were performing work under contract and not getting paid, and so filed complaint for breach of contract.