

Condominium Association and Project Manager Reach Settlement Addressing Dispute Over Work and Fees Without Going to Court

Challenge: A major condominium maintenance project totaling more than \$1 million is suffering from incomplete work, lengthy delays, and costing tens of thousands of dollars in associated project management fees.

Solution: Porter McGuire Kiakona & Chow, LLP (PMKC) met with the AOA board and community residents to assess their concerns. PMKC then brokered a mediation plan between the AOA and the project management company that thoroughly addressed the Association's needs in a timely settlement, and without a costly lawsuit.

Result: The project management company repaid a significant portion of fees to the AOA and agreed to waive charges for incomplete work. The AOA successfully terminated the management contract and was able to complete the project using an alternative project management firm.

Detailed Situation: The board of the Windward Cove condominium community, which consists of 11 buildings in Kailua, initiated a major maintenance project, primarily to paint the exterior of the buildings, which are more than 30 years old. A project management firm was retained in 2011 to oversee items including contract bidding and the timely completion of work. In 2013, after the project was running more than 18 months behind schedule with more than \$50,000 in fees incurred. Unable to resolve the issue directly, the Windward Cove AOA terminated its agreement with the project management company and sought PMKC Partner Chris Porter's assistance in recovering more than \$50,000 in fees already paid to the company for incomplete work and in resolving a billing dispute with the company in excess of \$30,000 following contract termination.

PMKC worked closely with board members to evaluate their concerns, ultimately brokering a settlement for the return of a significant portion of fees from the company to the AOA. A portion of the remaining fees were recouped under terms of the AOA's insurance policy. With these issues resolved, the AOA was able to complete the project in 2015 under the guidance of a new project management company.

"We were so impressed by the work of Christian Porter and the team at Porter McGuire Kiakona & Chow that we have retained PMKC as our community's law firm for all general matters. Chris used his extensive legal background and understanding of AOA projects to get this important project back on track after several years of delays and poor management. We consider PMKC a trusted, long-term partner that is fiscally responsible and highly knowledgeable."

Karola Sajuns, Association Board President, Windward Cove

These case studies are actual examples presented to illustrate successful PMKC strategies and resolutions; however, results may vary depending on individual circumstances.