

What is a Condominium Association?

When you buy a site condominium unit, you become a member of the condominium association. A condominium association is like a big partnership and you are one of the partners. In a partnership all of the assets (property including cash) belong to the organization. You own an undivided interest in all of the common elements. Along with this ownership is the responsibility to maintain and replace what ever needs to be repaired and replaced. All of the co-owners as a group must financially support this effort.

All of the money that the Association collects comes from the co-owners. There is no one outside the Association that will fund the Association to pay for repairs. All of the funds collected are collected proportional to ownership.

This concept is fundamental to the condominium operation. In our site condominium, the legal documents and state law require that the Board maintain the common property for the benefit of all and collect the funds proportional to the ownership to finance the costs.

The Michigan State Law governing the conduct of condominiums and which regulate the content of the Master' Deed and Bylaws is based upon the concept that present co-owners should pay for the common assets (the roads, curbs, storm water system, mail boxes and stands, wetlands areas, and the other' amenities in the community) as the assets are being used. So that future owner's take possession of property ready for their use with funding on hand to pay for any deficiencies in these assets. Each co-owner will be responsible for the pro-rata costs of replacement of these parts of the community without regard to their location or availability for use, if sufficient funds are not on hand.

Open seats on the Board of Directors are elected at the annual October meetings by the members of the Association. The Board is charged with the responsibility of managing the Association. It would be chaos if the decisions made on a day-to-day basis had to be made by all of the co-owners. Long range planning would also be difficult because each co-owner comes from a different perspective and with different goals and concerns. For some, lowest cost regardless of quality is the highest priority. For some, the landscaping is the highest priority, for some, it might be the recreational opportunities, for some, it might be the highest quality regardless of cost.

Therefore, almost all decisions are made by the Board (which should be made up of co-owners with similar views reflecting community concerns) and those decisions are made in the best interests of the Association as a whole. All of the co-owners must abide by those decisions. This means that what an individual co-owner wants or feels as absolutely necessary, may be primarily in that co-owner's interests but may be in conflict with what is best for the Association as a whole.

So what does all of that mean to me?

It means that that all of your neighbors and fellow co-owners have a say about the property, just as you do. It means that your opinions can be voiced to your Board of Directors who may or may not be able to solve the problem, but will hear your concern so that they can weigh your concerns with those of others, prioritize problems and decide how to best deal with them.

It means that those who serve on the Board are co-owners just like you. They are serving all neighbors and giving their best effort. Other neighbors have reasonable thoughts just like you do which may be different from your thoughts and ideas. It is better to work together to come up with solutions that satisfy the majority of co-owners rather than each individual co-owner.

How does the management company fit into this picture?

The management company functions as the agent for the Association. The manager attends Board meetings and communicates between Board meetings with various Board members advising and receiving instructions to take action. The management company is not the landlord. The management company does not have the authority to make decisions for the Board of Directors except to the extent the Board creates standing orders for actions to be taken based upon predetermined events. The management company also assists by communicating with individual co-owners about their concerns and discussing these concerns with the Board to resolve issues.. The management company also performs most administrative tasks, such as billing and collecting association dues, paying association expenses, preparing notices, communications management, and preparing preliminary budgets for Board approval. The management company has only one goal and that is to provide the highest quality services and to foster a cohesive living environment for the Community.

Arbor Hills Board of Directors