

Section 6. Operation of the Thoreau's Landing Community

Thoreau's Landing, A Condominium (association) is a non-profit corporation organized under the laws of the state of New Hampshire. How the community must operate is specified explicitly in various articles in the By-laws, Section 9. In turn, the By-laws must not disagree with the state Condominium Act. This section summarizes provisions of the By-laws relating to operation of the community. Should there be a conflict between any part of this summary and the actual condominium documents, the condominium documents take precedence.

In general, By-laws define a condominium association, and a board of directors as the chief organizations for administering and managing the condominium community. It also specifies a set of meetings at which business is conducted. A listing of the board of directors and other functionaries of the condominium are on the preceding page.

The By-laws authorize the board to establish a budget for operating the community. By-laws also call for the establishment of reserve accounts for future capital property replacement (operating reserves account) and a Working Capital account equivalent to two months income from condominium fees for maintaining a bank balance in case of need arising from a serious and unexpected community problem. The board of directors has a reserve study prepared periodically to determine the adequacy of these resources.

Operations essential to the condominium, such as snow plowing and maintenance of property, for instance, are budgeted annually. The annual budget also contains

line items for anticipated expenses for the fiscal year to which it applies. The required income for these expenses held in common is obtained through collection of a monthly condominium fee attached to each unit. The fiscal year is established in the By-laws as "...commencing on January 1 of each year and terminating on December 31 of each year". By-laws also state, "If for any reason, including non-payment of any owner's assessment, the reserves are inadequate, the board may at any time levy a further assessment".

Operation of the condominium can best be understood if you have in mind that a condominium requires a unique agreement among unit owners that is different from single home ownership. In a condominium, owners agree to an ownership in which they own the inside of their units but have a share of responsibility for all of the common and limited common property to an extent dictated by the total number of units and the number of units each owner owns.

There are 94 units in Thoreau's Landing; therefore each unit is allocated a share equal to 1/94th of remaining common and limited common property. Limited common property is property adjacent to and for the exclusive use of your unit. Your driveway, garage, and patio or deck are in this category.

Obviously that unique agreement could not exist without structured organization. Our By-laws as amended, the Declaration, and the sNew Hampshire Condominium Act are the essential authorities that delineate the structure.

The association operates the Thoreau's Landing community. The Association, called Thoreau's Landing, A Condomini-

um, as our By-laws tell us, is you and I and our fellow owners; we become members of the association upon accepting a deed of conveyance for our unit or units if you own more than one. You thereby agree to abide by the By-laws and the rules of the condominium.

However, except for business that must be done by vote of the association as explained later, the business of Thoreau's Landing is conducted by the Board of Directors composed of five unit owners elected at the annual meeting by the association. Unit owners are elected for three year terms.

Officers include the president, clerk, and treasurer. Other members are called directors. The incoming board elected at the annual meeting in turn elects its officers.

The president is the chief executive officer. He or she presides over all meetings of the association or of the board of directors. As stated in the By-laws, "He (sic) shall have all the general powers and duties which are usually vested in or incident to office of President of a stock corporation organized under the laws of New Hampshire". Only the president need be a member of the board.

The clerk and the treasurer can be the same person and do not have to be members of the board but must be appointed by the majority of the board members. The clerk records minutes of all association and board meetings. He or she also oversees keeping association records.

The treasurer compiles the annual budget and monitors it during the course of the fiscal year. The treasurer also gives a financial report at each regular board meeting. He or she also presents the an-

nual budget report at the annual meeting. The treasurer must obtain an audited financial statement within 120 days of the end of each fiscal year.

Directors help conduct the business of the community. Their vote is necessary to carry or disapprove any motion made by them or by officers of the board.

When reading the following paragraphs on meetings, keep in mind that there are association meetings and board meetings. Association meetings are any meeting wherein association members (unit owners) must vote. The principal instrument for operating the community is the meeting. The By-laws define three types of meetings, all of which are conducted under Robert's Rules of Order:

► *Monthly Board Meeting* The regular board meeting is held once a month at a place designated by the board. Most community business is conducted at this meeting.

► *Special Meeting.* A special meeting can be called for a clearly stated purpose by the board or by one or more association members (owners) who obtain agreement by one-third of the unit owners for such a meeting. In either case there must be a published statement of a clear purpose for the meeting, and only that purpose can be considered at that meeting.

► *Annual Meeting.* An annual meeting is specified in the By-laws essentially as the meeting at which the next board is elected and at which the president reports on the status of the condominium. Because the association is required to be represented by a quorum of its members and it must elect the next

board and vote on referendums presented, the annual meeting is an association meeting.

Most of the day-to-day business of the condominium is decided at the regular monthly meeting of the board. The minutes of the last meeting are read, amended as necessary, and approved. The president updates his or her report on the status of the community. The treasurer presents a financial report.

Maintenance actions are discussed and voted on. Petitions by association members are also considered and actions requested are voted upon. Problems of one sort or another brought to the attention of the board are discussed and acted upon. Committee reports are presented.

As customary at regular board meetings, before the president calls the meeting to order, there is a nominal 15-minute period in which owners can bring issues before the board.

The annual meeting is conducted at Thoreau's during December of each year. This is an association meeting at which unit owners cast ballots to vote to elect directors for open positions on the board. At this and any other association meeting, members must be in good standing to cast a ballot; members must be up to date on condominium fees, assessments, and any other liens on their property at least three days before the published date of the meeting.

The president, who presides over this meeting, presents the status of condominium. The treasurer gives a financial report for the preceding year. For business to be conducted at this or any other association meeting, a quorum, 33 and 1/3 percent of

the owners in good standing being present, must be recorded and reported to the president. At our annual meeting, it is customary for the newly elected board to meet in executive session and elect next year's officers.

A Special meeting of the unit owners' association can be called when the president is directed by a resolution of the board of directors to call such a meeting. By the same token, unit owners can direct the president to call a special meeting by presenting a petition to the clerk signed by not less than 30 percent of the votes of all owners.

Such meetings can be called to obtain approval of the association, for instance, of proposed improvements costing more than \$5,000 in one year. Also, owners can remove any or all members of the board for or without cause at any meeting at which a quorum is present "...and by an affirmative vote of two-thirds of the votes represented and voting".

All that being said about business of the community being conducted at meetings, in actual practice board members and committee members do all the preparatory work including formulating budgets and writing reports and minutes between meetings. To attempt to make sense out of the workload inherent in community operation, the By-laws has provisions for hiring a management company. Almost any task can be assigned the management company as agreed upon by the board. Usually, the management company has kept accounts, performed or contracted for maintenance and monitored landscaping, snow plowing, and other operational functions. The management company can also be used to provide expert condominium management advice.

A final, but highly important, element necessary for operation of the community is the committee. Committees made up of volunteers from among unit owners perform many operations at not cost that would otherwise make it necessary to increase the condominium fee. The following is a list of Standing Committees and Special Purpose Committees and their responsibilities. In addition, many committees not listed are formed for the length of time necessary to do short term tasks.

Committee Responsibilities — 2000

Standing Committees:

Buildings Committee

- ▶ Define the specifications for the renovation, replacement and protection of the buildings of Thoreau's Landing
- ▶ Provide oversight to any and all work done on carpentry, roofing, painting, etc.
- ▶ Provide oversight to the maintenance work and to the work by vendors and sub-contractors working at Thoreau's Landing.
- ▶ Define specifications for the work which may be done by owners on exterior of their units, and maintenance records of such work.
- ▶ Maintain budgets and do cost analysis of maintenance of work done on buildings.
- ▶ Provide oversight for utilities at Thoreau's Landing, including water, sewer, and cable.

Finance Committee

- ▶ Assist the board and the treasurer in budgeting, cash flow, and daily financial procedure decisions which will protect the financial health of the associations.
- ▶ Analyze and recommend Reserve Account strength and needs.
- ▶ Recommend assessment, fee, and receivable procedures.
- ▶ Review and recommend annual budget matters.

Grounds Committee

- ▶ Define specifications for the protection, maintenance, and enhancement of the landscaping and roads at Thoreau's Landing.
- ▶ Oversee maintenance work and work of vendors performing landscaping, road maintenance, and snow plowing.
- ▶ Specify landscaping work which may be done by owners in the areas around their units, review plans for such work, and make recommendations to the board.
- ▶ Monitor budgets and analyze cost of landscaping and roads expenses.
- ▶ Organize work groups to do cleanup and enhancement projects.

Public Affairs/Publications Committee

- ▶ Help write and produce the newsletter.
- ▶ Produce any publications necessary to communicate the affairs of the

association.

- ▶ Oversee communications matters of the association.
- ▶ Produce and update new owner welcome materials and distribute them.
- ▶ Oversee distribution of all notices and materials.

Special Projects Committees:

Boat House Committee

▶ Oversee the issuance of keys to, and the orderly operation of the boat house.

Shoreline Conservation Committee

▶ Oversee maintenance of trees planted along the Merrimack Shore for soil erosion prevention.

▶ Keep owners and vendors informed of things which can be done and which cannot be done along the banks of the Merrimack and the Nashua Rivers.