

To The Honorable Members of the ND Senate Industry and Business Committee

Greetings and Good Afternoon.

My name is Allen Blaich and I currently reside in Bismarck, North Dakota where I am a condo owner and treasurer of the Northbrook Condominium Association. I am speaking as a private citizen and not as a representative of my condo Association. I have been a condo association member of four different associations over a span of 40 years and have been treasurer for three of those associations with familiarity of condo laws in four different states.

I am writing in favor of Senate Bill # 2394.

My interest in this bill is in regards to consumer protection and appropriate financial management of a condominium association.

Based on my experience with condominium associations I find the requirements of this bill to be reasonable safeguards to prevent some all too common problems that arise specifically in regards to reserve funds. The current situation of my Association provides a glimpse into the problem. Recently it was determined that major repairs to the roof were needed at an estimated cost of \$65,000 for full repair or \$15,000 for a partial fix. Currently our reserve fund contains less than \$12,000. Considering that the roof is now 37 years if the requirement to have adequate reserve funds had been implemented at the beginning of the period our current condo members would not be faced with a \$50,000 shortfall that will now have to be made up by loans, significant dues increases and additional costs of interest, this coming at a time when most residents are facing significant cost increases and decreased income in other areas of their lives.

The failure to maintain adequate reserve funds also has an effect on the value and saleability of a condo unit. In a downturn economy the Association with adequate reserve funds is in a much better position to have a unit sold than an Association that does not, resulting in a significant decrease in value to the condo without adequate reserves.

This bill also helps to mitigate the effects of "let the buyer beware" by requiring greater transparency of the financial status of the Association when buying a condo. The current emphasis relies too heavily on what the dues are rather than what they will actually buy and this information is crucial at the beginning of the buying process.

As a condo treasurer one of my main tasks is to try and promote the idea of adequate income for the needs of the condo. With this bill that task will be made easier with the implementation of the requirements outlined in the bill.

I thank you for your time and consideration.

Allen Blaich