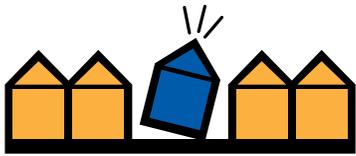


WHAT'S NEW?

a PUBLICATION to INFORM & ENTERTAIN | May 2008



NEW CONCEPTS

ASSOCIATION MANAGEMENT

COMMERCIAL/RESIDENTIAL
REAL ESTATE SERVICES

BUSINESS OPPORTUNITIES

GENERAL CONTRACTING

RENTAL MANAGEMENT

MORTGAGE SERVICES

CONSULTING

Featured Article "Association Vertigo"

By Gene Sullivan, President of New Concepts Management

My father, a military pilot with the United States Marine Corps, told me of a story of his early training days where the Corps' fixed wing training unit in Pensacola, Florida became increasingly concerned over the number of young pilots who ended up ditching their plane in the water over and over again while beginning take off.

What was initially being written off as a bad batch of recruits, who couldn't be taught how to fly, became an early lesson in understanding vertigo. "Vertigo" is that dangerous state of mind all pilots will face at some point in their flight experience where they become confused with their direction and orientation. This can easily happen when you are forced to react by putting your aircraft in quick and tight maneuvers. For that brief moment the pilot does not know which way is up or down.

Upon further investigation it was found that the cause for the increased pilot error was due to the base recently changing the direction of the runway for take-off. This caused the pilots to have to take a steep bank or turn while initially ascending. This coupled with having to reach across the cockpit to perform some specially timed procedures, caused these inexperienced pilots to become briefly disorientated as they tried to "correct" what felt like the proper maneuvers to perform in order to stay in the air.

In managing Common Interest Communities, "Association Vertigo" is a common experience we must all learn to fight. This type of "vertigo" is usually the result of good hearted, well intentioned people who are constantly being driven by the tyranny of the urgent.

The voices and concerns that a volunteer Board of Directors can hear from those in their community can be absolutely dizzying at times. While what you do in performing your role at any given time might seem trivial or mundane, it does take discipline to plan and to look continually ahead.

Science fiction author Robert Heinlein once was quoted as saying "In the absence of clearly-defined

goals, we become strangely loyal to performing daily trivia until ultimately we become enslaved to it."



Gene Sullivan, President of New Concepts

See if this doesn't sound all too typical. Your monthly Board meeting is ready to begin. You have an agenda prepared with a full slate of items to be discussed and decisions needing to be made. However, at the homeowner's forum just prior to the meeting, several homeowners ask for you to discuss other concerns. Instead of having the discipline to say "We'll discuss this if time allows this evening" or "We wish to give this request serious thought, let us put it on the agenda for next month" your efforts go into another marathon meeting.

Why? Because in your sincere desire to take care of the issue "now" you realize that you have spent your time discussing something no one is prepared for instead of spending your time discussing and enacting upon the items you had come prepared for.

What is the end result? Homeowners and Board Members alike ask themselves "Why does it seem that nothing ever gets done around here?"

Does this mean I am advocating that Boards never take the time to answer the "quick question or concern?" No, but as Mr. Heinlein was quoted earlier in this article—in the absence of having clearly-defined goals and sticking to a methodical approach in resolving them; you will find yourself developing the bad habit of allowing yourself to get caught up in the immediate, instead of the necessary. ■

What's in the News?

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Featured Employee:
Mary Leder -pg. 1

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Featured Employee

Name: Mary Leder | **Title:** Property Manager

Years with New Concepts: 2 ½ years with New Concepts, 26 in the industry.

Luckiest day of her life: The day her first grandchild was born.

Number of children: 1 | **Number of grandchildren:** 2

Little known fact about Mary:

One of Mary's jobs before entering property management was bartending.

What Mary likes best about her job: Helping other people.

When talking with Mary about her career, she looks back and says 1998's destructive wind and hail storms were a defining moment for her in property management. She said it was that experience that helped to really "season" her as a property manager who understood what it meant to handle crisis. Mary said with all of the property affected in the Twin City area; one of the most disheartening things to deal with was the realization that the number of claim adjusters and contractors available was nowhere near enough to handle everyone's situ-

ation quickly. In addition a number of properties found themselves having to wait until the spring and summer of 1999 before restoration work could begin. "It is at those times that it is important to show empathy and to work hard at communicating and keeping the customer in the know with what is going on at that moment." It appears that this is a value Mary has

certainly taken to heart because last year Mary was acknowledged and recognized in our industry as a recipient of CAI's (Community Associations Institute) "Excellence in Service Award for 2007." New Concepts President Gene Sullivan said "It is because of the caliber of people like Mary that allows us to demonstrate our commitment to our clients." ■



Mary Leder (left) working with her Assistant Gwen Navratil (right)

Featured Association—Mallard Shores “Let the Homeowners Decide”

When you buy a home you're deluged with voluminous documents that need to be read and signed for the purchase agreement and for securing a mortgage. If that's not enough, when you buy into a Homeowner's Association, you can add to that something called "The Governing Documents." You're told that by buying a home in an Association you are agreeing to abide by everything stipulated in those papers. If you are like most folks, as you begin to make an honest effort to read those documents you say to yourself "You've got to be kidding! I'll read this sometime in the future when I'm having a hard time getting to sleep."

Now fast forward. You are in your home, things are going well, but now you start to get notices, reminders, and memos from people calling themselves "The Board of Directors," and the henchmen who seem to take joy in following through on these directives are an organization calling themselves "The Management Company." You now find yourself saying, "This certainly isn't what I signed up for!" And what you thought was a utopian lifestyle; now seems to be burdensome, because it is preventing you from living your life the way you choose.

This was how it first seemed to appear to a homeowner in the Mallard Shores Homeowner's Association in Farmington when she received a notice from the Board of Directors stating that watching a couple of children at home constituted running a business out of the home and was prohibited according to the Association's Governing Documents. With more interest this time the homeowner went back to read those documents and found that the Board did indeed have the authority it exercised. When asked further about her situation she said "I guess I now realize after the fact that it is because of things like this that will get me to think twice before making my next home purchase in another association." She went on to say, "not because living in an association is bad, but because it just may not be the lifestyle for me."

It is at this point that some homeowners would dig in their heels and say, "Forget the Association, I'm going to do what I want to do anyway." Not this homeowner. She read her documents further and realized that these same documents also spell out an orderly recourse that can be followed in order to make an appeal to change those documents.

Taking the time to know your Governing Documents is crucial. The Board of Directors in any Association typically has the authority to make changes to the Rules & Regulations at its sole discretion. Because this kind of authority to re-write rules could lead to drastic changes from year to year (with the election of new Board Members) certain allowances and



Demonstrating grassroots democracy at its very best, this homeowner went to her neighbors in the Association to get the requisite number of signatures and then made an appeal to the Boards of Directors to bring this before the entire membership for a vote.

Board President Randy Floyd said "When a homeowner is willing to take the necessary and proper steps to make an appeal, it is necessary for a Board to set aside their personal feelings in a matter and to instead follow through with their responsibility to make sure they are governing according to the wishes of the majority." He continued by saying "The Association belongs to all of its members, and its governance must be a collective one. The homeowners will decide."

And that brings us to the present where this matter is now being considered before the entire membership at the Mallard Shores Homeowner's Association.

prohibitions are instead written in the Bylaws and the Declaration. These Documents require majority approval of all homeowners (typically two thirds or three quarters of all members) to alter. This check and balance prevents any Association from seeing major swings in policy from year to year at the whim of a few of individuals.

What will the outcome be for Mallard Shores? Only time will tell. But it is because of the honesty and integrity shown by everyone involved that you can be confident that the will of the majority will be heard. And however it is decided, you can bet that both sides of this controversy will be gracious whether they find themselves to be in the majority or the minority. This will happen ultimately because of a commitment to the democratic process. Allowing each community to best decide how they will govern themselves. Our hats are off to Mallard Shores. ■

Home Savings Store

Products and services available at special pricing for our homeowners. However to insure that you receive these savings or to know more on how these programs work, you must contact Home Savings Store Coordinator **Courtney Graf at 952-224-2263.**

Home Valu Interiors

When you are ready to redecorate your home; receive special contractor pricing on all floor, window and wall coverings including all fixtures. To benefit for these exclusive savings please call Courtney.

Mortgage

Whether you're refinancing to reduce a high rate adjustable mortgage, preparing to pay the cost of a special assessment, or getting back on your feet from near foreclosure we can help. Allow us to give you another option by placing a call to Courtney.

New Concept's Preferred Realtor Network

Because we are involved with the resale disclosures on every sale at your association, we know who does the best in getting the job done. If you don't know who that is give us a call we can help. Discounts are available on the cost of a re-sale disclosure by going through this program. Call Courtney.

Start To Finish Contracting

Whether the need is for a job large or small, you want the job to be done by someone who is trustworthy, thoughtful, and professional. 952-259-1217.