

Assessment (operating)

Proportionate share of annual budgeted cost which is paid as a monthly charge to maintain the Common Areas and Elements of a Condominium and to maintain a sufficient reserve fund to assure financial stability

Assessment (Special)

As assessment made for some special purpose or because of inadequate budgeting of operating expenses

Association of Co-Owners

All of the co-owners acting as a group in accordance to the master deed and bylaws for the administration of the Association. The co-owners can exercise voting rights in the Association

Condominium Bylaws

The operation of the property is governed by a set of bylaws which are recorded in the Master Deed. The Bylaws impose certain duties and obligations to the co-owners and the Association such as timing of meetings, record keeping, and determination and collection of assessments.

Association Bylaws

The Association Bylaws set forth the operating procedures of the Association

Common Interest

The percentage of undivided interest in the Common Elements apportioned to each unit as expressed in the Master Deed.

Co-Owner

A person who buys a unit in a Condominium Association is a co-owner.

Default

The failure to meet contractual obligations, such as monthly payment or maintenance of the property

Easement

The easement in a Condominium refers to the right of use under, across or over the land and improvements in the Condominium, such as sewer pipe or utility easement running beneath the surface of the land, the right to walk over a parking area or over a lobby area or stairways, and the right to have utility lines running through the walls of a building.

Escrow Funds

Subscription deposits or down payments required to be held unused until the Condominium project is recorded and titles are conveyed to each buyer.

Liability and Hazard Insurance (Association)

Insurance to protect against negligent actions of the co-owners Association and damages caused to the property by fire, windstorm and other common hazards. This policy differs from the homeowner's personal insurance on the unit and its furnishings.

Lien

A claim recorded against a property as security for a payment of a just debt.

Limited Common Element

Those Common Elements designated in the Master Deed and reserved for the use of a certain unit to the exclusion of other units, such as hallways on a given floor reserved for the use of the unit owners of that floor. This does not include such items as carports, patios, balconies, etc.

Master Deed

The basic document used in the creation of a Condominium. It describes the division of the Association into units and Common Elements.

Mortgage Commitment

The written notice of the bank or other lender saying that it will advance the mortgage funds in a specified amount for one to purchase the unit.

Reserve Funds

Funds that are set aside, usually in escrow, from a month's Associations assessments to replace Common Elements, such as roofs or roads, at some future date.

Taxes

Local real estate taxes are levied on the individual units and not on the Condominium Association.

Undivided Interest

In Condominium law, the joint ownership of common areas in which the individual percentages are known but not applied to separate the areas physically. This situation is similar to the joint ownership of an automobile or home by husband and wife.