

which Senator Nichol asked, you know, when it comes to setting the rates, the assessments, it is done democratically. Most of those assessments are set by the executive board representing hopefully a majority. It requires setting up a budget, entering into insurance contracts, contracts for services, setting up your monthly fee structures to pay for sewer, water, maintenance and insurance and etcetera, special assessments for improvements, enforcement of bylaws and etcetera. As you can see, condominiums are very complex in their organization. One of the biggest problems we have had in Nebraska is a transition from when the developer owns and runs a condominium development to the point where the residential people take control, and the problem has always been that they never knew what they were buying into. They never had any experience. They never had any insight or information. LB 433 sets up a mechanism where the residential owners, depending upon the level of development, assume more and more representation on the executive board that governs the condominium. When a prospective purchaser buys into a condominium, he or she is joining a community of shared responsibility and shared financial interests. LB 433 is in the best interests of the builder, in this law he is referred to as a declarant, the consumer, and the real estate broker to ensure that every condominium is rationally set up so that it operates functionally, that it protects, enhances the financial investment of the residents and that adequate safeguards are in place and in force so that a condominium can operate in a fashion where all parties are secure. LB 433, as I mentioned, began as model legislation and it was tailored to Nebraska real estate and building practice. The first statutes that were placed into law in Nebraska regarding condominium development were put there 20 years ago. Twenty years ago we hardly had a condominium development in Nebraska, and if you will take a reading of those statutes, you will find that they don't make a lot of sense. They are hazy. They don't apply to the present practice. They are confusing and don't do much as far as expressing a definitive plan for organization. Briefly, LB 433 does this. Number one, it defines the terms relative to condominium development. It establishes setting up your declarant rights, processes for amending the declaration, termination proceedings. It provides for establishing an executive board, the transition from declarant to homeowner control. Provides for the merger of condominiums. Provides for adoption of bylaws and rules by unit owners. Provides for the adoption of a budget. Outlines liabilities, obligations and warranties, a description of what the bylaws must contain. Sets up times for meetings. Establishes quorums, allocation of votes, proxy votes, notice provisions,