

From: Rich Grant [rgrant@kingochowdah.com]
Sent: Wednesday, September 08, 2010 11:24 AM
To: !FHFA REG-COMMENTS
Subject: Guidance on Private Transfer Fee Covenants, (No. 2010-N-11)

Hello,

Our bylaws say this.

Article V Operation of the Property, Paragraph 1 Determination of Common Expenses and Assessments Against Owner, Subparagraph G. Working Capital Fund. A working capital fund shall be established and maintained equal to two (2) months estimated common area charge for each unit. This amount shall be due and payable to the Association upon the initial conveyance of the unit by the Declarant and thereafter upon each subsequent conveyance of such unit. For the purposes of this subparagraph, a "conveyance" shall be defined to mean any transfer subject to the Transfer Tax imposed by New Hampshire RSA 78-B, as amended from time to time. All working capital fund contributions shall be maintained in a segregated account by the Owners' Association for the use and benefit of the Association. The contribution for each unsold unit in each phase will be made within sixty (60) days from the date of conveyance of the first unit in such phase. Such amounts are not to be considered as an advance payment of regular assessments.

RSA 78-B is Tax on Transfer of Real Property. Full text of that can be found at www.gencourt.state.nh.us

We are an association with 106 Detached condos (basically single family homes) We are always close to owner occupied. Usually only 1 or 2 units are leased at any time. Typically about 3-4 units are resold per year. Our association is completely built out. Units are between 10 and 20 years old.

Changing our bylaws takes a 2/3 majority (71 votes).

Our current assessment fee is \$255 per month. Major expenses are the Landscaping \$100K , snow plowing \$50K, Reserves \$90K, Insurance \$28K, and Management fees \$25K. The rest are minor items.

Our current reserves are \$198K and we are in a big roof replacement project (Association is responsible for the maintaining the roofs and painting siding and trim (most units are vinyl sided and we have some masonite units)

If this ruling passes, we would have to change our bylaws as it would be very difficult for anyone to obtain a mortgage. It is very difficult to get any change to the bylaws approved. Lately we have not even been able to get a quorum at our annual meeting (requires 36 owners in person or by proxy) so you can see why it would be so difficult to get a bylaw change.

Please contact me if you would like any further information or clarification

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