



Planned Unit Development (PUD) Versus Condominium

There has been a great deal of confusion as to the exact nature of Meadowbrook Ridge Planned Unit Development. Perhaps that is because it has often been referred to as a condominium, which it is not.

A Condominium

A condominium is a creature of statute. The Maine Legislature adopted the Maine Condominium Act in 1981 which dictates most of the terms included in the Declaration of Condominium and the content of the plats and plans that are recorded in the registry of deeds. A condominium has little flexibility because most of the rules and other provisions are required by law.

The owner of a condominium unit usually owns from the interior of the exterior wall and roof supports inward, i.e., he owns the interior wallboard, interior walls, and inside air space. The exterior walls, the roof, and the common areas are owned in common by the unit owners. Each owner owns a fractional share based, usually, on the number of units in the development. Conveyance of a unit automatically conveys a fractional share of the common elements. All repairs and maintenance of the common areas are

the responsibility of the association, although if repairs and maintenance benefit less than all the units, the association makes the repairs, but only the owners of the benefited units are assessed the cost.

Once a year a unit owner has the right to vote to approve or disapprove the budget proposed by the board, to elect members of the board, to amend the Declaration, and (maybe, depending on the Declaration) the right to vote to approve or disapprove capital expenditures over a certain amount. All other management decisions are made by the board of directors. If the monthly assessments are insufficient to pay the common expenses, the board of directors has the right to levy “special assessments” to make up the difference.

A Planned Unit Development

A planned unit development, such as Meadowbrook Ridge, has no statutory authority. It is simply a matter of contract between the unit owner, the association, and other unit owners. There are no legislative mandates about what the Declaration must contain, or what the plats and plans must show. When a unit in a PUD is purchased, it is purchased subject to the terms, conditions, and restrictions, contained in the Declaration, the By-laws of the Association, and the rules and regulations adopted by the association.

The owner of a PUD at Meadowbrook, owns the perimeter of his unit, inside and out, together with the land beneath it. They own the roof, the exterior walls, shingles, clapboards, etc. They own the deck, but not the land beneath the deck. The common area (all other land) is not divided into fractional shares, but owned entirely by the association for the exclusive use and benefit of all unit owners, and subject to the rules and regulations of the association.

While the unit owner is responsible for maintaining his unit, inside and out, the association may, at times, find it preferable to perform outside maintenance like roof repairs, cleaning gutters, and so forth for convenience and to assure uniformity throughout the project. Payment for such repairs and maintenance, however, remain the responsibility of the unit owner.

Just because the owner owns the exterior of his unit doesn't mean he is free to do with it as he pleases. In order to protect the property values of all units, and to provide a pleasing, uniform appearance to the development, all PUD Declarations provide for "architectural control." This means no change may be made to the exterior of a unit, and nothing may be kept or stored on the common areas without the consent of the board of directors. You may own your roof and siding, but you can't paint them pink without consent from the board.

Like in a condominium, PUD owners have a very limited role in management. Once a year they can either approve or disapprove the next year's budget, elect members to the board of directors, and, maybe, be able to approve or disapprove capital improvements in excess of a certain amount. Like a condominium, if the monthly assessments are insufficient to pay some unplanned expense, the association can levy a special assessment. Unpaid assessments in both types of development can result in a lien being placed against the unit, or a civil action brought against the owner for the amount of the assessment.

In exchange for a certain loss of control, unit owners in either type of development avoid the necessity of lawn mowing, snow removal and other outside chores.

