

ATTACHMENT 2

Cooperative Development Framework for
Case Study, Condominium Number 2
Czyzewskiego Street, Sopot, Poland

Condo Number Two: Checklist and Explanations		
No.	Item description	
1	I. Governance	
2	A. Mission/Goal	
3	1. The cooperative has a clearly articulated mission . <i>Verbally articulated by the President of the Management Board, the condo vision is to live in a renovated and well maintained real estate. The condo achieves this vision through revitalization of the building and adjacent land, and through effective internal management.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
4	2. The cooperative has set business goals to benefit its members . <i>Verbally articulated by the President of the Management Board to renovate the building in a cost-effective and quality-keeping way and to maintain the building well, based on quality and cost effective principles.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
5	3. The cooperative's mission and operations are consistent with generally accepted international cooperative principles .	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
6	4. The cooperative is properly registered and operates in accordance with local laws and regulations (that should provide an enabling environment). <i>There is no formal registration process envisioned for condominiums under Polish Act on Housing Units Ownership (Act of June 24, 1994 – UWL). A condo starts to exist in the moment when the first unit (either residential or commercial) is sold by its 'previous' owner (be it local government, developer, or any other legal or physical person/entity). Each condominium has its own statistic number (REGON), a tax number (NIP) and a bank account.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
7	5. Does the coop mission reflect the member's interests and needs? <i>Yes. The building is small: 9 privately owned units, all residential, total of 816.54 square meters of usable area.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
8	B. Cooperative By-Laws <i>There are no formal approved condo By-Laws, as Polish law does not require it. The general rules are contained in the UWL. CONSULTANT'S NOTE: a condo may establish internal By-Laws (so called Condominium Statute or Condominium Declaration) wherein to define the precise rules that are described in the UWL in a general manner. A Condo also may change these rules but the law demands the vote to be notarized by a Notary.</i>	
9	1. By-laws address fixed terms of office for officers. <i>This condo elects its representative for 3 year terms (allowed by law). There are no formally approved by-laws (see above).</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
10	2. By-laws clearly define the duties of cooperative members, the Board and General Manager. <i>Although there are no formal By-laws, it is quite obvious that members of the Condo Board know their responsibilities well. There are 3 members of the Board and they manage the property by themselves (i.e. without hired professional property manager).</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
11	3. By-laws set quorum requirements.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N

	<i>There is no quorum requirement in condominium law in Poland. UWL defines two ways to vote: first, at the meetings, and second, through individual voting ("kwerenda") when the Management Board Member meets with owners individually, in their apartments, explains the idea involved, consequences of the decisions, and gets the owner's vote.</i>	
12	4. By-laws define extraordinary circumstances and procedures when cooperative members may petition for general meetings.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>This rule is described in UWL and there is no need to have it included in the By-Laws.</i>	
13	5. By-laws determine how officers are nominated and voting is conducted.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>There are 3 members of the Management Board who were elected for the first 3 year period. Then they were re-elected for the second period (since this is a small condominium, there are no other people willing to share their time). Voting procedure is described by the law and it is followed closely. In truth, nobody is really ready to manage the property (no knowledge, no experience) so when the current loan is paid-off, the Board plans to hire a professional property manager. This will happen only if they are able to cover the management fee with no increase of the monthly payment.</i>	
14	6. By-laws articulate the procedure and responsibilities of general meetings.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>This procedure is defined by the UWL.</i>	
15	7. By-laws define requirements for eligibility for members.	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
	<i>CONSULTANT'S NOTE: A condominium association is not a legal entity under UWL. There is no room for eligibility requirement. In condos, it would be illegal although it still exists in cooperatives in Poland.</i>	
16	C. Membership Meetings/ Member Responsibilities	
17	1. Meetings are open, broadly advertised and convened at least annually.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>Annual meetings are required by UWL. Condo owners used to meet every month or even more often during the process of implementation of investment project (i.e. renovations). Now there is no need for such meetings so they follow the schedule determined by UWL.</i>	
18	2. Annual meetings are attended by significant portion of membership.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>In a building this size, when an annual takes place in one of apartments, as a rule all owners participate. The reason is that all owners care, but the other reason is that no young people live in the building. Only the elderly who have spare time to get involved in condo activities.</i>	
19	3. General meeting holds democratic election of officers and opportunity is provided for multiple candidates for open positions.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>As stated by the President, Condo Management Board would be "more than happy" to have new candidates for voluntary work and involvement in condo activities. Unfortunately, there are no new candidates as only the elderly live there.</i>	
20	4. Members determine how:	
21	• Directors are elected or appointed, fixed terms of directors, quorums	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
	<i>Easily. No problems with application of basic management rules defined in UWL.</i>	
22	• Cooperative by-laws are approved and amended	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
	<i>On informal basis since this is a small condo; no written document existing or needed.</i>	
23	• Significant liabilities or disposition of cooperative assets are undertaken and approved	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
	<i>Condominium owns no assets. There is no need to. No business activities apart from property management are undertaken. If it was needed to acquire any assets, the condo would easily organize the needed procedure and approve it, if necessary.</i>	
24	• Dissolution or merger of cooperative are handled	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
	<i>No need for dissolution or merger.</i>	
25	• Cooperative auditors are appointed	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N
	<i>The consultant noted that neither UWL, nor any other financial law in Poland, states the necessity of a financial audit. Condominiums in Poland are not considered suitable organizations for business undertakings (cooperatives or regular associations are much better suited). The law does not define any obligation to hire an accountant, to keep books or to audit them.</i>	

26	5. Members understand basic business operations of a cooperative; can make distinction between coops and other business forms.	Y NA
	<i>Now members understand what a condo is but it took some time and a lot of training to absorb the changes in legal and organizational environment introduced in 1995.</i>	
27	D. Board of Directors	
28	1. Board decisions are consistent with generally accepted international cooperative principles.	Y N
	<i>CONSULTANT'S NOTE: Board decisions are consistent with generally accepted Polish principles as expressed in WUL. We should not compare them to international rules as the condos internationally might have different organizational and legal status.</i>	
29	2. The Board limits itself to:	
	<i>CONSULTANT'S NOTE: the Management Board does perform important property management functions. The statement "limits itself" is not the best one. "Limits itself" means that the board does nothing but this, which is not true. I am assuming that "Y" means that the board performs specified activity (more or less formally) and "N" means the board does not do it.</i>	
30	• Setting, reviewing and modifying organizational policies	Y N
31	• Establishing strategic and financial planning objectives	Y N
32	• Representing the interests of the cooperative to members, authorities and the general public	Y N
33	• Reflecting the interests and concerns of members in the decision-making process	Y N
34	• Hiring, monitoring and evaluating management in accordance with cooperative policies, plans and job descriptions	Y N
35	• Oversee acquisition and preservation of cooperative assets	Y N
36	• Preserve the cooperative character of the organization	Y N
37	• Assess the cooperative's performance	Y N
38	3. Board members serve in a voluntary and unpaid capacity. (However, they may be reimbursed for costs associated with Board service).	Y N
	<i>All serve on voluntary basis.</i>	
39	4. The Board ensures the timely publication of agendas, minutes, financial returns, audit reports and any other materials required by laws and/or by-laws to promote cooperative accountability and transparency.	Y N
40	5. The Board is composed of elected members and/or limited numbers of non-elected or advisory members appointed under by-law guidelines. (Government officials do not serve on the board).	Y N
41	6. Board meetings are announced well in advance, are conducted in accordance with cooperative by-laws and are open to members.	Y N
	<i>CONSULTANT'S NOTE: Every condo member is invited to participate in management board meetings. The Condo is even more open to participation of regular condo owners in daily decision making processes than required by UWL. For example, condominium as a whole approves the level of monthly payments that owners are obliged to pay to the condo (a condo fee). Decision which contractor to choose is recognized as the Management Board's decision, not the condo's (no need to vote in this case, following the UWL and the rules of the civil code).</i>	
42	7. Board members do not engage in business or activities placing them in direct competition with any business unit or service offered by the cooperative.	Y N
43	E. Board Officers	
44	1. Chairman	
45	• Sets meeting agendas	Y N
46	• Ensures information needed by the Board is available	Y N
47	• Facilitates deliberations of the Board	Y N
48	• Ensures that decisions are taken and recorded in meeting minutes	Y N
49	2. Treasurer	
	<i>One of the members of the management board, emeritus accountant, plays the formal role of the treasurer.</i>	

50	<ul style="list-style-type: none"> Ensures that cooperative accountants keep accurate, up-to-date records of all financial activities and provides written financial reports each month to the Board and annually to cooperative members. 	Y N
51	<ul style="list-style-type: none"> Oversees the compliance of financial records to audit procedures and guidelines. 	Y N
52	3. Secretary	
53	<ul style="list-style-type: none"> Keeps thorough minutes of cooperative meetings (records of members present, date, place, who presided, conclusions, reports) 	Y N
	<i>There is no secretary in this condo (too small).</i>	
54	F. Management	
	<i>The role of the manager is played by members of the management board (the board of directors). No outside management firm is engaged to save on costs.</i>	
55	1. Manager formulates both short- and long-range operational plans in compliance with cooperative goals and objectives.	Y N
56	2. Manager facilitates and ensures that employees perform their functions as described in job descriptions.	Y N
57	3. Manager has drafted written policies and procedures for employee conduct and performance; policies and procedures are made readily available to coop members and staff.	Y N
	<i>No formal written procedures are developed. Condo operates on an informal basis, given its small size, and no outside management is involved, No employees.</i>	
58	4. Manager ensures that cooperative employees are adequately paid within cooperative guidelines.	Y N
	<i>The role of a manager is played by members of management board (the board of directors). No employees.</i>	
59	5. Manager establishes and communicates clear standards of performance and regularly evaluates employees according to these standards.	Y N
	<i>This is far too advanced, given the stage of development of Polish condominiums. What is more, there is no such practice even in the majority of professional property management companies active on the Polish market!</i>	
60	6. Manager is clearly accountable to the Board with respect to organizational policies, planning, etc. Manager attends Board meetings and presents detailed operational and financial reports.	Y NA
	NA	
61	7. Manager is entrepreneurial and provides leadership for group-based business activities.	Y N
62	8. Manager has procedures and processes for managing risk.	Y N
63	9. Manager is accessible to cooperative employees and ably addresses individual employment concerns (e.g., educational and career development, relations with other employees).	Y N
	<i>No employees.</i>	
64	10. Can the Manager get the Job Done?	Y N
65	II. Finance	
66	A. Planning	
67	1. Annual Budgeting	
	<ul style="list-style-type: none"> A regular budget process is developed and integrated into annual operating plans. 	Y N
68	<i>This is too early a stage for condominium of this size to have a formal budgeting process. Based on costs from previous year(s) the Management Board estimates the level of owners' payments (assessments) to be used during the next year. Management Board tracks the liquidity on a regular basis and if there is a problem, assessments are increased. The building is a small one so there is little risk involved with this kind of simple and not formalized management.</i>	
69	2. Long-Term Financial Planning	
70	<ul style="list-style-type: none"> The cooperative's long-term financial planning addresses sources and allocation of capital that is consistent with competitive strategy (i.e., planning favors increases in cooperative's net worth and the volume of cooperative business). 	Y N
	<i>Again, this is a small building, with the elderly living in it, so long term planning is not paid much attention</i>	

	<i>to. Should be more!</i>	
71	<ul style="list-style-type: none"> A business plan whose sophistication is correlated with the significance of the investment of individual members has been prepared. 	Y N
72	<ul style="list-style-type: none"> Non-member business is handled following guidelines determined by cooperative by-laws. 	Y N
73	B. General Accounting	
	1. The cooperative has a bank account in its own name.	Y N
74	<p><i>CONSULTANT'S NOTE: this condo was obliged to open bank account in BBG to service the repayment of improvement loan. UWL demands that a condo makes all of its financial transactions through a bank account, although it is not clear whether a condo has to have its own account, or whether it is allowed to use another party's account (e.g. that belonging to a third party management company).</i></p> <p><i>Usually, there are two bank accounts opened for a condo association. The first is used to gather regular payments by owners (monthly assessments) which are later used by the condo board to pay maintenance and utility expenses. This account is also used for renovation fund assessments. From that account a loan is being paid off. The second account is opened only for purposes of the loan. The bank transfers into that account the loan payments received following presentation of invoices by the contractor renovating the building, and approved by the City of Sopot and the condo manager. Also, the bank is authorized (as the only entity) to make transfers from that account to the contractor.</i></p>	
	2. A full financial audit of the cooperative is undertaken annually, under the supervision of qualified accountants appointed by the Board.	Y N
75	<p><i>CONSULTANT'S NOTE: There are examples of Polish condos that are performing this kind of financial audits on an informal basis, in order to check out the quality of financial services provided by the property manager or the management board. Usually, a third party accountant or the management company is hired to do the job.</i></p> <p><i>However, this does not apply to Sopot condominiums yet.</i></p>	
76	C. Resource Mobilization and Management	
77	1. Member Equity	
	<ul style="list-style-type: none"> The cooperative has mechanisms in place to ensure that member equity is proportional to patronage. 	Y N
78	<p><i>According to the law (UWL) a condo member is responsible and required to participate in covering management, maintenance and renovation expenses in the amount conforming to the member's share in common property.</i></p> <p><i>There are procedures (managerial, financial) which fulfill this legal obligation.</i></p>	
	<ul style="list-style-type: none"> Members continue to own the cooperative. 	Y NA
79	<p><i>CONSULTANT'S NOTE: a condominium is not a legal entity. The law defines a condo as a group of physical or legal persons that own unit/s in one larger real estate. A condo cannot be the owner of anything. If a condo buys anything, this is understood as co-ownership by all condo members, with co-ownership share proportional to the share in common property owned by each condo member.</i></p>	
	<ul style="list-style-type: none"> The cooperative maintains its net worth-to-liability ratio at a level that is consistent with prudent industry norms. 	Y NA
80	<p><i>Condo does not perform business activities apart from management of the building. It cannot be evaluated using business-related indexes or terms.</i></p>	
	<ul style="list-style-type: none"> Equity ownership and voting control should only be held by the current membership of the cooperative, and should not reside with interests external to the cooperative. 	Y N
81	<p><i>CONSULTANT'S NOTE: Although it is possible (in theory) that a condo agrees to passing voting rights to a third party or entity (in another words, that an individual owner makes an external party the proxy of his/her interests), it is very rare in Polish condo industry.</i></p> <p><i>The case condo keeps voting control within the hands of its condo members.</i></p>	
82	2. Equity Redemption	
83	<ul style="list-style-type: none"> The rate of stock dividends in the cooperative should not exceed the short-term savings rate of the country where the cooperative operates. 	Y NA

84	<ul style="list-style-type: none"> Allocated equity is distributed to members in proportion to member patronage. 	Y NA
85	<i>D. Auditing</i>	
86	<p>1. Auditing ensures economically efficient use of cooperative funds.</p> <p><i>CONSULTANT'S NOTE: As stated above, it is possible and sometimes happens in Poland that a condo hires a third party auditor to oversee current management of condo finances by the manager or the management board. It does not apply to Sopot yet.</i></p>	Y NA
87	2. Cooperative audits generate information relative to future decision-making.	Y NA
	III. Business Activities	
88	<p><i>CONSULTANT'S NOTE: Condominiums in Poland do not execute business activities. Most of the following items are not applicable (NA).</i></p> <p><i>If there is a need for business activity other than management and maintenance of property, experts advise condo members to register formally as an association (which is a legal entity) or to choose some other legal form based on the civil code, which facilitates undertaking business activities.</i></p> <p><i>On the other hand, home management and improvements may be considered a "business activity" so some of business-related issues might be considered, even if a condo is not a legal entity. This issue is being discussed by Polish condo industry.</i></p>	
89	A. Cooperative start up or new business activities	
90	Cooperative has:	
91	<p>1. Sound feasibility plan for its economic activities.</p> <p><i>CONSULTANT'S NOTE: As mentioned before, condo's main activity is to maintain its property, including renovations (mail economic activity). When a condo plans to proceed with some renovation regarding the common property, the first thing is to have a vote on condo resolution for improvement. Then to find a contractor (through a formal or informal bidding process) and have him prepare a detailed scope of work and cost calculation for the project.</i></p> <p><i>Next step is to develop a financing plan. The condo has to guarantee payment of 10% of total renovation costs up front, get the municipality's approval for the improvement and its promise of interest repayment on the loan. Then get the bank's approval for co-financing the investment.</i></p> <p><i>The case condo has gone through this process twice as 2 loans were taken: in 1997 and in 2000. The first loan taken at BBG came from so call Small Improvements Program, covering less extensive renovations (total of 61,075 PLN or \$16,072 at \$1=3.8 PLN exchange rate). The condo put up the down payment and repays the loan over 3 years period. The municipality is paying 100% interest during year 1, 90% during year 2 and 75% during year 3.</i></p> <p><i>The second loan was taken from the so called Revitalization program, which allowed for larger investment projects. Total renovation costs equaled 109,000 PLN or \$28,684, with term of 5 years. The municipality pays 100% interest through 3 years and then 90% interest in year 4 and 80% of interest in year 5.</i></p>	Y N
	2. Marketing/member recruitment plan for its business.	Y N

	<p><i>In case-study condo, following thorough discussions owners did not approve special assessments to cover costs of the second, larger project, but took a loan covering 90% of improvement costs. This loan is currently being repaid with municipal contributions as described above.</i></p> <p><i>During discussions relating to the loans, the condo board also considered the possibility of renting around 60 square meters of space, separated in the basement of the building. This space is not a separate unit from legal standpoint but a part of common area. The Board considers leasing this space in order to draw additional proceeds. Alternatively, the Board considers making additional changes in order to adapt this space for residential use and selling it as part of condo property. So far, however, neither action has been decided upon (leasing commercial space is seen as relatively unsafe, given weaker local economy and difficulties with eviction of burdensome tenants and adaptation required additional costs that the owners are not ready to put up). All these actions reflect condo owners' efforts to search for creative ways of dealing with costs of maintenance. The Board is actively discussion options and seeking support of the remaining owners in order to formulate a plan for the future.</i></p>	
93	3. Comparative advantage over its competitors.	Y NA
	<i>Condo does not compete at the market. NA</i>	
94	4. Sufficient membership base to operate profitably.	Y N
	<i>This is a small condo (9 units, average owner's age: 50 years old; average of 3 residents per unit; residents represent a well educated group with higher education and relatively good incomes of est. 2,000-3,000 PLN per unit). Even so, there is sufficient membership base to operate but not too many people are willing to serve actively on the management board. Still, the three owners who are actively involved as members of the board do a good job for the building and for the condo.</i>	
95	5. Sufficient business transactions by potential members to operate profitably.	Y NA
96	6. Competitive location.	Y N
	<i>The street where case condo is located in Sopot is close to so called "Deptak" or "the Mall" famous all over Poland. The neighborhood is recognized as the most desirable to live. The street was given "priority" status in the city's renovation and revitalization programs. It has the highest level of rents for commercial space (retail, office etc.). The case condo has undoubtedly a very competitive location. Renovations very positively impact the value of units so that when condo owners decide to sell, they will surely benefit from increased prices.</i>	
97	7. Capacity to attract investments.	Y N
	<i>The neighborhood has a great potential to attract investments. This is downtown Sopot area considered a very competitive location. This is one of the reasons why the Board considers rental of commercial space in the basement. So far, final decision has not been made and/or tenant has not been found.</i>	
98	8. Successfully transitioned from voluntary to professional management.	Y N
	<i>The voluntaries managing this condo do not see themselves as professional property managers and they have no plans to establish themselves as such. All three Board members (owners) are elderly people that are aware of the fact that their abilities are limited and that someday they will have to share their responsibilities with a third party property management company. As they have told CHF's consultant, until current loan from BBG/Millennium is paid off, they will remain active in management positions in order to save on additional management costs.</i>	
99	B. Operating cooperative	
100	1. Rate of annual growth in cooperative members.	NA
101	2. Percentage of members doing business with the cooperative:	NA
102	3. Percentage of growth in:	
103	• Assets	NA
104	• Business volume	NA
105	C. The cooperative is significant to the economic sector in which it operates (e.g., 8-15% of turnover in the sector).	Y NA
106	D. The cooperative is improving the local community where it operates.	Y N

	<p><i>The condo definitely improves the surrounding and the community from architectural standpoint. If the building looks clean, well maintained, with nicely painted elevation, well maintained surrounding area and a new fence, the whole neighborhood looks better. Hopefully, these improvements will attract more tourists and more business for the city of Sopot.</i></p> <p><i>According to interviewed owners, on average, over the last 3 years period, unit purchase rates have grown up in Sopot by 13.30%. This means that the city's and condo owners efforts to renovate local housing stock are yielding results: potential investors are beginning to see Sopot as a good place to invest and when looking for apartments, seriously consider both the location, and the technical condition of the whole property (not the unit itself).</i></p>	
107	<p>E. The cooperative is increasing the economic welfare of its individual members (e.g. increased profit based on business volume).</p> <p><i>Yes. See above. This is true when an owner sells his/her unit following completion of improvements. It is obvious that condition of the whole property has an impact on value of individual units. Well planned, well organized and completed improvement projects increase economic welfare of individual members.</i></p>	Y N
108	G. Cooperative gains solid financial record in a limited number of types of business activities prior to diversification	Y NA
109	H. Primary cooperatives are linked through secondary or other structures to increase business volumes and efficiencies	Y NA
110	IV. General Measurements	
111	<p>1. Are Members Satisfied?</p> <ul style="list-style-type: none"> Value of Cooperative Willingness to Commit (patronage, equity, products, serve) Leadership Direction <p><i>As described, all condo members are actively involved in the management process although this may be partly due to the small size of the building. All condo members know their leaders and maintain cordial daily relationship with them. There is no third party hired to maintain the property or to do house keeping jobs. All such jobs are performed by owners themselves in order to save on costs. There is a clear (although informal) division of responsibilities between owners. For example, one owner is responsible for sweeping the hall on the first floor whereas another one does the same job on the second floor; yet another owner takes care of the grass and green belt surrounding the building. This arrangement serves as example of the understanding reached by condo members who are willing to cooperate for the benefit of all.</i></p>	Y N
112	<p>2. Trust</p> <ul style="list-style-type: none"> Between Board & Management Among Members Between Members & Management Team <p><i>Interviewed President of the Management Board confirmed the existence of trust between condo members and the management board. Proof: well organized and implemented improvement projects requiring collaboration with the city, as well as with the bank. Going through planning, approval, and implementation processes often required that the management acts on behalf of all members. They could do it because other condo members trusted them to do it well.</i></p>	Y N
113	<p>3. Transparency in Governance:</p> <ul style="list-style-type: none"> Decision Process and Rules are Clear All Players Understand Process and Their Respective Roles <p><i>Given than this condo is small (total of 9 unit), all management actions are transparent and easy to follow. Since the condo does not perform business activity other than management and maintenance, the most difficult area to deal with is organization and financing of improvement/capital renovation projects. Valuable assistance is offered in this area by City officers.</i></p> <p><i>Judging from the interview by CHF consultant, the management board of this Sopot condo understood their roles well, and no conflicts within the organization were noted (at least are present).</i></p>	Y N

	<p>4. Collaboration Across Cooperatives</p> <ul style="list-style-type: none"> • Coop Associations • Ability to Learn from Each Other 	<p><input checked="" type="checkbox"/> N</p>
<p>114</p>	<p><i>Condos often learn from each other. In fact, the studied condo (...street #13) actually followed the good example of adjacent condo located at Street #11, which went through renovations and completed its improvements earlier (both condo buildings can be easily seen on pictures). Given city's substantial involvement in renovation projects, there were several articles in local press with description of condo experiences and the way they dealt with their renovation projects. This was a good material for learning from the experience of others.</i></p> <p><i>However, there is no formal condo association in Sopot. Good advisory service is being offered by the City's Housing Department, which provides legal and organizational assistance to condo members who seek their advice.</i></p>	
	<p>5. Organization "Culture" or Philosophy</p> <ul style="list-style-type: none"> • Open • Supports Learning at All Levels • Need for Ongoing Education: Managers, Directors, Members, Staff 	<p><input checked="" type="checkbox"/> N</p>
<p>115</p>	<p><i>The CHF consultant was received in a very friendly manner and was graciously hosted by the president of the condo board. Other members the consultant spoke to were also deeply involved in the management of their organization and willing to talk about it.</i></p> <p><i>The Board members seemed willing to hear and learn about new techniques and modern management tools. The CHF consultant was asked many technical questions and was pleased to answer them. Members of the condo management board seem always willing to share their experiences with other condos, in Sopot and all over the country.</i></p>	
<p>116</p>	<p>6. Operates within best practices in its sector</p> <p><i>Definitely. Even though the Board is composed entirely of volunteers who do not have professional background in property management, they are willing to educate themselves in order to do a good job. They started in 1995 with no experience whatsoever and since then, were able to adapt to organizational changes, were able to plan and implement renovation projects involving multiple partners, took loans and continue to repay them. They definitely benefited from training offered in late 1990's under USAID funding and continue to search for advice on technical issues. The greatest problem they see is that of new leaders who will have to take over once current (elderly) manager-owners step down.</i></p>	<p><input checked="" type="checkbox"/> N</p>