



## SELLER DOCUMENT DISCLOSURES

Associations regularly receive “urgent” requests for disclosures or other information when an owner is selling their unit or lot. But to what is the seller legally entitled? The association has **10 calendar days** to provide documents **requested by the seller** (i.e. the current association member) pursuant to Civil Code §4525. Here is a checklist of the documents to which sellers are entitled (per Civil Code §4525 to §4545):

**All governing documents**

- Articles of Incorporation or a written statement that the Association is not incorporated
- CC&Rs
- Bylaws
- Operating Rules

**Age restrictions**, if any. If there is a restriction in the governing documents limiting the occupancy, residency, or use of a separate interest on the basis of age in a manner different from that provided in Civil Code §51.3 (“Establishing and Preserving Accessible Housing for Senior Citizens”)

**Rental restrictions**, if any. If there is a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the CID to a renter, lessee, or tenant, a statement describing the prohibition

**Annual budget report including reserve study, financial statement review, and insurance summary.** Copy of the most recent documents distributed pursuant to Civil Code § 5300:

- A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis
- Summary of the association’s reserves, prepared according to Civil Code §5565
- Summary of the reserve funding plan
- Statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement
- Whether the board has determined or anticipates the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves – must include the estimated amount, commencement date, and duration of the assessment
- The mechanism(s) by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral or selected replacements or repairs, or alternative mechanisms
- Statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components the association is obligated to maintain
- Statement as to whether the association has any outstanding loans with an original term of more than one year, including the

payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired

Summary of the association’s property, general liability, earthquake, flood, and fidelity insurance policies – must include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any.

For condominium projects, a statement describing the status of the common interest development (CID) as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the CID is an FHA-approved condominium project

For condominium projects, a statement describing the status of the CID as a Federal Department of Veterans Affairs (VA)-approved condominium project pursuant to VA guidelines, including whether the CID is a VA-approved condominium project.

A copy of the completed “Charges For Documents Provided” disclosure identified in Civil Code § 4528

**Regular, special, and emergency assessments, other unpaid obligations, assessment and reserve funding disclosure summary, and assessment enforcement policy.** Written statement as to the amount of the association’s current and regular special assessments and fees, any unpaid assessments levied upon the owner’s interest, and any unpaid monetary fines or penalties levied upon the owner’s interest – must also include late charges, interest, and costs of collection which are or may be made a lien upon the owner’s interest

**Notice(s) of violation.** A copy or summary of any notice sent to the owner pursuant to Civil Code §5855 regarding unresolved alleged violations of the governing documents

**Settlement notice regarding common area defects and preliminary list of defects.** Copy of the initial list of defects provided to each member pursuant to Civil Code §6000 (unless the association and builder subsequently enter into a settlement agreement or otherwise resolve the matter) and the latest information provided for in Civil Code §6100

**Approved changes to assessments.** Any change in the association’s current regular and special assessments and fees which have been approved by the board, but have not become due and payable

**Meeting minutes.** If requested, a copy of the minutes of the board meetings (excluding executive sessions), conducted in the previous 12 months

Associations are not obligated to provide documents or information to third parties, such as real estate agents or the buyer of a unit or lot, nor is the association obligated to respond immediately to such a request. Consult with legal counsel when you receive requests from anyone other than the seller about whether, how, and when to respond. *What if a member asks for something else? A complete list of documents to which members are entitled to inspect is on the reverse side.*

## MEMBER DOCUMENT INSPECTION

Following are the documents members are allowed to inspect. Members must state a purpose for their request which is reasonably related to their interest as a member (Civil Code §5225). Except as noted below, requested records must be provided:

- Within 10 business days for records prepared during the current fiscal year
- Within 30 calendar days for records prepared during the previous two fiscal years
  
- Any annual disclosure document (per Civil Code §5300 et. seq., §5565 and §5810)
  
- Any document that must be provided upon transfer of title or the execution of a real property sales contract (see Seller Document Disclosures, reverse side)  
*Must be provided within 10 calendar days of the mailing or delivery of a written request.*
  
- Interim financial statements which contain a balance sheet, income and expense statement, budget comparison, or general ledger
  
- Executed contracts not otherwise privileged
  
- Written board approval of vendor or contractor proposals or invoices
  
- State and federal tax returns
  
- Reserve account balances and records of payments made from reserve accounts
  
- Agendas and minutes of meetings of the members, board, and any committee appointed by the board (excluding executive sessions of the board)  
*Meeting minutes shall be available within 30 calendar days of the meeting and are subject to permanent inspection. Minutes of meetings of committees with decision-making authority for meetings commencing on or after January 1, 2007 shall be made available within 15 calendar days following approval.*
  
- Membership lists (including name, property address, mailing address, email address) except for members who have opted out  
*Members may **inspect and copy** members' names, addresses, and voting rights upon five business days prior written demand. Members may **receive** a list of names, addresses, and voting rights within 10 business days.*
  
- Check registers
  
- Governing documents
  
- The accounting prepared as required when using reserve funds to pay for litigation involving the repair, restoration, replacement, or maintenance of major components
  
- Enhanced association records  
*Invoices, receipts and canceled checks, purchase orders approved by the association, bank account statements for bank accounts in which assessments are deposited or withdrawn, credit card statements for credit cards issued in the name of the association, statements for services rendered, and reimbursement requests submitted to the association.*
  
- Association election materials  
*Returned ballots, signed voter envelopes, voter list of names, parcel numbers, and voters to whom ballots were sent, proxies, and the candidate registration list. Signed voter envelopes may be inspected but may not be copied.*

*Civil Code §5200 to §5240*