



CalDisclosures

Your source for the disclosure forms and booklets
required by the California Department of Real Estate

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[Editor's Note: The following excerpt is from the California Department of Real Estate's booklet "Disclosures in Real Property Transactions" Part I Transfer and Financing of Real Property, Section I Disclosures Required of a Seller and/or Real Estate Broker/Agent,, J. Furnishing Controlling Documents and Financial Statements Concerning Common Interest Developments(CID's)]

Furnishing Controlling Documents and Financial Statements Concerning Common Interest Developments (CID's)

The owner (other than a subdivider) of a separate interest in a common interest development (community apartment project, condominium project, planned development, or stock cooperative) must provide a prospective buyer with the following:

- A copy of the governing documents of the development, including any operating rules and a copy of the association's articles of incorporation, or if not incorporated, a written statement from an authorized representative that the association is not incorporated;
- If there is an age restriction not consistent with Civil Code Section 51.3, a statement that the age restriction is only enforceable to the extent permitted by law and specifying the applicable provisions of law;
- A copy of the financial documents of the association including financial statement, the operating budget, the most recent reserve study and the assessment and reserve funding disclosure summary form (see Civil Code 1365 and 1365.5);
- A written statement from an authorized representative of the association specifying the amount of the current regular and special assessments, the current fees, as well as any unpaid assessments, late charges, interest, and costs of collection which are or may become a lien against the separate interest and any fines or penalties levied upon the owner and which remain unpaid.

- A copy or summary of any notice previously sent to the owner that sets forth any alleged violation of the governing documents that remains unresolved.
- A copy of any preliminary list of any construction defects and a statement that a final determination of the defects has yet to occur, including whether the list of defects is accurate and complete.
- A disclosure of any settlement agreement or other instrument between the association and the developer regarding construction defects, and the following information in connection therewith:

“(1) A general description of the defects that the association reasonably believes, as of the date of the disclosure, will be corrected or replaced.

(2) A good faith estimate, as of the date of the disclosure, of when the association believes that the defects identified in (1) will be corrected or replaced. The association may state that the estimate may be modified.

(3) The status of the claims for defects in the design or construction of the common interest development that were not identified in paragraph (1) whether expressed in a preliminary list of defects sent to each member of the association or otherwise claimed and disclosed to the members of the association.”

- Information regarding any approved change in the assessments or fees which are not yet due and payable as of the disclosure date.

NOTE: Upon written request, the association is to provide within 10 days the above information to or as directed by the owner. In addition, some transactional documents require that the owner secure for the prospective buyer copies of minutes of proceedings, which may be obtained from the association by the owner in accordance with Civil Code Section 1365.2.

(CAL. CIV. §§ 1368, 1375 , 1375.1(a)(1),(2),(3))