

Property Subject to Homeowners Association or Community Covenants and Restrictions (CCR) Control

Many properties are subject to Community Covenants and Restrictions (CCRs). Of these, some have active Homeowners Associations and others may have the option to establish an Association subsequent to purchase or after completion of all homes in the community. CCRs are recorded private agreements establishing a compulsory legal obligation over property. They cover such things as approved use of property, repair, modification, dues, debt and much more. **THERE ARE NO LAWS IN ALABAMA GOVERNING THE OPERATION OR MANAGEMENT OF HOMEOWNERS ASSOCIATIONS. If you have questions about CCRs or your legal rights and remedies under homeowners' association governing documents, you should consult an attorney.** A real estate licensee is prohibited by law from giving legal advice.

You may, as a part of your offer to purchase, require delivery of part or all of the following information and or make receipt and approval as a part of your offer:

1. Covenants & Bylaws for all portions of the community, including all supplementary filings
2. Management company, Developer, HOA Board contact information and incorporation details
3. Even though residents are be bound by CCRs; will the establishment of an HOA be at the discretion of homeowners AFTER community completion
4. Current budget, checking, savings, and reserve fund details including expense projections
5. HOA debt level and projected shortfalls
6. HOA dues and all other expenses to be paid by the homeowner; history of special Assessments and future expected assessments
7. Two year summary of capital improvements to amenities
8. Number and percentage of delinquencies and liens
9. Pending litigation by or against the HOA and/or unpaid judgments or disputes
10. Are amenities complete; are homeowners required to fund current or future amenities
11. Has control of the HOA been turned over to homeowners; if yes, provide date
12. Date of expiration of original and extended Declarant authority
13. Does the developer reserve the right to retain control of any amenities; if yes, please identify
14. Is any property located within or adjacent to the community boundaries zoned to allow commercial or multifamily use
15. Does the HOA maintain any non-owned property
16. Date amenities are scheduled to be deeded to the HOA (if applicable)
17. Is the community subject to additional phasing (community expansion); if so, will the current architectural theme be continued
18. Summary of insurance coverage, fidelity bonds, and acknowledgement of annual tax filings
19. Is subject property in compliance with Architectural Control rules and covenants

Additional information may be required at the discretion of individual lenders

The Seller has _____ days to provide the requested information. If the Seller fails to respond or responds in part, the Purchaser may void the offer without recourse or penalty or extend the time allowance. The Purchaser has _____ hays to review and advise the Agent of their acceptance or rejection. **I understand that there may be a fee for providing the requested information payable in advance of delivery.**

If the Purchaser fails to respond after delivery, then all elements of the offer shall be in full force. The Purchaser may elect to request a portion or none of the information as stated below:

Comments: _____

I request ALL or PART (indicate numbers) or I WAIVE delivery.

Witness

Purchaser

Date

Witness

Seller

Date