

## CIDA REPORT™

### List of Due Diligence Documents –

1. **Current or most recent reserve study** - current means the thirty-year funding projection begins on the first day of the current budget year.
2. **Approved operating budget for the current budget year.**
3. **Most recent year-to-date balance sheet and income statement** – collectively referred to as the *financial statement*.
4. **Most recent year-end balance sheet and income statement** – in most instances this will be the financial statement for the 12-month period ending on 12/31.
5. **Board meeting minutes for the 12 most recent Board meetings** – some HOAs only hold two or three meetings a year but ask for the minutes for the 12 most recent meetings.
6. **Independent Accountant’s Review Report** – required by law if the HOA receives \$75K or more in annual revenues from assessments, which includes revenues generated by special assessments.
7. **Current insurance certificate** - The insurance certificate is a two-page document that summarizes the insurance policies that are maintained by the HOA. NOT a 200-page insurance policy.
8. **Articles of Incorporation**
9. **Declaration for the Association** – sometimes referred to as the CC&Rs. Technically the term CC&Rs only refers to the Declaration but the Bylaws are frequently bundled together with the Bylaws and the Articles of Inc.
10. **Bylaws of the Association**
11. **Rules and regulations**
12. **Amended and/or supplemental declarations** – a **supplemental declaration** exists when a development is staged or phased. Each subsequent phase or stage of development requires that a supplemental declaration be executed and recorded. **Amended declarations** exist when the Board of Directors decides to make changes to the original declaration.
13. **Amendments to the bylaws** - these are much more common than amendments to the declaration as they often require a vote of the Board only.
14. **Board approved resolutions** – in particular resolutions authorizing the Board to borrow money from a bank or the Association’s reserve fund; resolutions authorizing a special assessment and resolutions that impose restrictions on the rental of a unit. There are many reasons for a resolution to have been approved, but these are among the most important.
15. **Property condition assessments & forensic inspection reports** – prepared for the HOA at the request of the Board of Directors. If the Association is involved in a lawsuit over construction defects you will probably be told that these reports are confidential. Otherwise, if they do exist then a buyer should insist on having a copy when it is determined such reports exist.

**Important:** Under Oregon law a seller is entitled to any and all HOA documents that are not protected by attorney-client privilege rules. The statutes do not automatically require the seller to provide these

documents, hence the buyer/seller must reach an agreement that requires the seller to provide this information. The law does not prevent the seller from distributing HOA documents to a buyer or other party of the sale. It is a caveat emptor (buyer beware) statute. Buyers must take action by requesting the information.