

Condominium Unit Buyer's Check List

By Joel W. Meskin, Esq., CIRMS – Managing Director Community Association Products
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Item	Research (Ignorance is not Bliss or a defense)	Complete
1	By-Laws - Obtain a copy of the condo association by-laws - the association's operating manual (who has authority to do what, who is a member, who is eligible to vote, and how to elect board members)	
2	CC&Rs - Obtain a copy of the CC&Rs (declarations/conditions, covenants & conditions) - the association rules (what can you put on your door, how loud can music be, who can live in the unit, can you have pets, etc.)	
3	Delinquent Assessments – How many association unit owners are more than 30 days delinquent in paying assessments? What percentage of those delinquencies are more than 60 days past due. (If unit members are delinquent, someone has to cover the shortfall - the remaining current members.) Any Foreclosure sales?	
4	Pending Lawsuits Against the Association - Are there any lawsuits or administrative proceedings (i.e. EEOC or fair housing) pending against the association? If not, have there been any lawsuits in the past 5 years? (Do a civil index check in the county court)	
5	Pending Lawsuits Against Unit Owners - Does the association have any lawsuits pending against any unit owners or vendors?	
6	Reserve Study - Does the association have a Reserve Study? If no, why not?	
7	Funded Reserve Study - If the association has a reserve study, is it funded, and if so, what percentage is it funded?	
8	Reserve Study Update – When was the reserve study last updated	
9	Capital Improvements - Does the association have any substantial capital improvements or repairs planned within the next 24 months and if so how is it going to be funded (reserves, special assessment, loan)?	
10	Special Assessments - Does the association currently have any special assessments, other than the normal monthly dues/assessments? If not, are there any special assessments planned in the next 24 months?	
11	Insurance - Who is the insurer for the condo association master policy providing property coverage for the building and providing coverage for the general liability coverage? Who is the agent for the association? (is he or she a Community Insurance Risk Management Specialist)	
12	Appraisal - When was the last time an appraisal was done to determine the appropriate amount to insure the condo association property? What was the appraised value?	
13	Umbrella Insurance - Does the association have an umbrella liability policy and if so, what are the limits? Does the umbrella policy provide follow form directors and officer's coverage?	
14	Directors & Officers Insurance - Who is the insurer for the directors and officers' liability insurance? Does the association have Cyber Liability/Data Breach Coverage?	

15	Employee Dishonesty/Crime Insurance - Does the association have a fidelity (employee dishonesty)/crime policy and if so, what are the limits? Does the limit equal at least the total of all operating accounts, reserve accounts and 3 months of assessments? Does the Crime policy have Social Engineering Coverage?	
16	Employees - Does the association have any of its own employees? If yes, does the association have Workers Compensation Insurance? If so, does the association have an employee manual?	
17	Property Manager - Does the association use an independent property or community manager? If so, what is the name of the management company and who is the key contact? If so, is the manager on site or is it a portfolio manager?	
18	Property Manager Indemnification - If there is an independent management company is there a written management agreement. If there is a written management agreement, is there a mutual indemnification provision or just a unilateral provision running in favor of the management company.	
19	Property Manager Errors & Omissions - If there is an independent management company, does it have its own errors and omissions policy?	
20	Property Manager Fidelity/Crime Insurance - If there is an independent management company handling the association's funds, does it have a fidelity crime policy? Does the association have Cyber Liability/Data Breach Coverage?	
21	Association Financials - Does the association have audited financials? If yes, obtain a copy of the most current audited financials. If not, does an independent accountant handle the finances? If not, who handles the finances?	
22	Positive Fund Balance - Does the association's current balance sheet show a positive fund balance? If there is a negative fund balance, what is the explanation?	
23	Collections - Who handles the association's collections? Association? Attorney? Manager?	
24	General Counsel - Does the association have general counsel? If so, who?	
25	Elections - Has there been a challenge to the board election within the last 24 months.	
26	Developer – Is the developer on the board and/or control the board.	

Miscellaneous Notes: