

REPORT C – COMPREHENSIVE DISCLOSURE DOCUMENT PACKAGE REVIEW

SAMPLE – actual client report

SECTION 1 — ORDER INFORMATION

Property Address	Address removed for privacy
Property Type	Condominium
Buyer(s)	Name removed for privacy
HOA Name	[REDACTED]
Management Company	The Bridgeport Company — 12667 Alcosta Blvd., Suite 170, San Ramon, CA 94583 — (925) 824-2888
Date of Review	April 29, 2026
Prepared by	Compliance Review Solutions (925) 940-7625

Number of Units	202
Fiscal Year	January 1 – December 31
Master Policy Deductible	\$25,000 (Property) \$10,000 (Fidelity/Crime) \$10,000 (D&O) \$0 (General Liability)
Mixed-Use Development	Residential Units (upper four floors) and Loft Units (ground-level commercial/live-work)
Original Construction	Approximately 2005–2007

SECTION 2 — DISCLAIMER

DISCLAIMER

The following HOA Disclosure Compliance Review (“Review”) is provided for Buyer’s informational purposes only. The following additional disclaimers are made and accepted by Buyer: (1) The Compliance Review covers only the documents that an HOA must legally provide to the buyer pursuant to California Civil Code; (2) The Compliance Review is only current as of the date of the documents as noted; (3) The Review does not guarantee the accuracy of the documents provided and reviewed; (4) The Review does not forecast any future action that may be taken by the HOA, the Board of Directors, or the Property Management Company.

SECTION 3 — DOCUMENT CHECKLIST | Civil Code §4525

The Davis-Stirling Common Interest Development Act, restated January 1, 2014, is the largest body of law regarding community associations. The specific documents required by the Act and the California Residential Purchase Agreement are listed below.

It is important for prospective Buyer(s) to read the Association documents in their entirety to understand the uses, restrictions, responsibilities, and policies governing the Association and its member-owners.

Rec'd	#	Document	Civil Code
GOVERNING DOCUMENTS			
✓	1	Covenants, Conditions and Restrictions (CC&Rs)	§4525(a)(1)
Notes:			
✓	2	Bylaws	§4525(a)(1)
Notes:			
✓	3	Articles of Incorporation OR written statement that the association is not incorporated	§4525(a)(1)
Notes:			
✓	4	Operating Rules	§4525(a)(1)
Notes:			
ANNUAL BUDGET REPORT §4525(a)(3) (Includes #5 – #9 or they are provided standalone)			
✓	5	Annual Pro-forma Operating Budget — estimated revenue and expenses	§5300(b)(1)
Notes:			
✓	6	Summary of Association's Insurance: Property, General Liability, Fidelity, Workers' Compensation; if applicable: Earthquake and Flood	§5300(b)(9)
Notes:			
✓	7	If condo: statement whether association is approved for FHA loans	§5300(b)(10)
Notes:			
✓	8	If condo: statement whether association is approved for VA loans	§5300(b)(11)
Notes:			
✓	9	Charges for Documents — Form 4528	§5300(b)(12)
Notes:			
ASSESSMENT AND RESERVE FUNDING DISCLOSURE (Includes #10 – #14)			
✓	10	Statement whether Board has deferred repairs/replacements of major components (≤30 yr life) — with justification	§5300(b)(4)
Notes:			
✓	11	Statement whether Board has determined or anticipates a Special Assessment — if yes: commencement date, amount, duration	§5300(b)(5)
Notes:			
✓	12	Statement describing the mechanism(s) used to fund reserves (assessments, borrowing, deferral, etc.)	§5300(b)(6)

Notes:			
✓	13	Statement addressing procedures for calculation and establishment of reserves for future repairs, replacements, additions	§5300(b)(7)
Notes:			
✓	14	The estimated Reserve Fund Balance and the required balance to be Fully Funded for the next five budget years. If not included, review the Reserve Study summary for the information.	§5570
Notes:			
RESERVE STUDY SUMMARY			
✓	15	Summary of the Association's Reserves (Reserve Fund balance)	§5300(b)(2)
Notes:			
	16	Summary of the Reserve Funding Plan adopted by the Board or Full Reserve Study	§5300(b)(3)
Notes: <i>OUTDATED — The Reserve Study dated December 11, 2023 was prepared as an Annual Review without a physical site inspection. California Civil Code §5550 requires a full Reserve Study with physical inspection at least once every three years. If we assume the most recent Reserve Study with physical inspection was completed on December 11, 2022 (one year prior to the December 11, 2023 Annual Review), the next Reserve Study with physical inspection would have been due no later than December 11, 2025. As of April 29, 2026, no Reserve Study with physical inspection completed after December 11, 2022 has been provided in this document package.</i>			
SB326/EEE — EXTERIOR ELEVATED ELEMENTS (EEE) INSPECTION			
	17	If condo OR HOA with exterior maintenance responsibility: The complete Exterior Elevated Elements Inspection (SB326/EEE) with a first page summary that includes date, total units, units with EEEs, # EEEs inspected, EEEs posing safety threat, inspector certification	§5551
Notes: <i>N/A — The Association's exterior elevated structures are metal construction and are not subject to Civil Code §5551 SB326/EEE inspection requirements.</i>			
NOTICES AND DISCLOSURES			
✓	18	Year-End Financial Statement Review — if annual income from member assessments exceeds \$75,000 (must be available within 120 days of year-end)	§4525(a)(3) / §5305
Notes:			
✓	19	Statement whether association has outstanding loans (>1 yr original term) — including payee, rate, amount, annual payment, retirement date. (May be included in the Year-End Financial Statement Review.)	§5300(b)(8)
Notes:			
✓	20	Annual Policy Statement — Designated recipient, Right to Notice to Two Addresses, General Notice location, Right to Individual Delivery, Right to Minutes, Collection Policy, Lien Policy, Rules Enforcement Policy, Dispute Resolution Procedures, Architectural requirements, Overnight payments	§5300

Notes:			
✓	21	Assessment Enforcement Policy (HOA Dues) — usually included in Annual Policy Statement	§4525(a)(4) / §5310
Notes:			
✓	22	Alternative Dispute Resolution Rights Summary — usually included in Annual Policy Statement	§5925–§5965
Notes:			
✓	23	Rental Restrictions	§4525(a)(9)
Notes:			
	24	Age Restrictions, if any	§4525(a)(2)
Notes:	<i>N/A — No age restrictions identified.</i>		
✓	25	Minutes of Regular Board Meetings for most recent 12 months	§4525(a)(10) / RPA-CA 11.L.(2)(iv)
Notes:	<i>Minutes provided: April 1, 2025; August 5, 2025; October 14, 2025; January 20, 2026; and March 3, 2026. This may represent the total number of meetings held in the most recent 12 months, but there is no confirmation of the total number of meetings held in the most recent 12 months in this document package. Seven months of the prior 12-month period are not included.</i>		
CONTRACT REQUIREMENTS			
✓	26	Litigation — any pending or anticipated claim or litigation by or against the HOA. (Also required on the Lender Questionnaire.)	RPA-CA 11.L.(2)(ii)
Notes:			
✓	27	Statement containing location and number of designated parking spaces and storage spaces (if no attached garage)	RPA-CA 11.L.(2)(iii)
Notes:			
✓	28	Names and contact information for all HOAs governing the property	RPA-CA 11.L.(2)(v)
Notes:			
✓	29	Pet and smoking restrictions	RPA-CA 11.L.(2)(vi)(vii)
Notes:			
DEMAND STATEMENT – this may be delivered later in the transaction			
	30	Required Statement of Fees (Demand Statement) — regular assessments, special/emergency assessments, late charges, interest, costs of collection	§4525(a)(4) / §5855
Notes:			
	31	Transfer fee — if not included in the Required Statement of Fees	§4525(4)
Notes:			
	32	Notice of Violations — copy or summary of any unresolved violation notice sent to the owner	§4525(a)(5) / §5855
Notes:			

	33	Approved changes to current regular or special assessments/fees approved by Board but not yet due and payable	§4525(a)(8)
Notes:			
NEW CONSTRUCTION (if applicable)			
	34	Preliminary List of Defects	§4525(a)(6)(7) / §6000 / §6100
Notes: <i>N/A — Not new construction.</i>			
	35	Notice of Settlement Agreement Regarding Common Area Defects	§4525(a)(6) / §6100
Notes: <i>N/A — Not new construction.</i>			

SAMPLE

EXECUTIVE SUMMARY

Document Package:

- Compliance Status: CONDITIONALLY COMPLIANT
- Insurance Summary (Item 6): CURRENT — Policies effective February 18, 2026 through February 18, 2027. Umbrella carrier updated from Greenwich Insurance Company to Spinnaker Specialty Insurance Co.
- SB326/EEE (Item 17): N/A — Exterior elevated structures are metal construction and not subject to Civil Code §5551.
- Board Meeting Minutes (Item 25): 5 months provided — April 1, 2025; August 5, 2025; October 14, 2025; January 20, 2026; and March 3, 2026. This may represent the total number of meetings held in the most recent 12 months, but there is no confirmation of the total number of meetings held in this document package. Seven months of the prior 12-month period are not included in this package.

Governance and Restrictions:

- Association is NOT FHA-certified and NOT VA-certified — FHA and VA financing is not available for this property.
- Rental cap: maximum 52 Residential Units may be rented at any one time. As of March 2026, 60 units are rented — 8 over the cap. Board is seeking legal counsel to amend the CC&Rs.
- No outstanding loans; no pending special assessments.
- Prior construction defect lawsuit settled June 2013 — no current litigation disclosed.

Insurance:

- Primary General Liability policy: \$1,000,000 per occurrence — below the \$3,000,000 minimum required by Civil Code §5805 for associations with more than 100 units.
- \$5,000,000 Umbrella/Excess Liability policy through Spinnaker Specialty Insurance Co. is in place. All policies are current through February 18, 2027.
- No earthquake insurance; no flood insurance.
- General Liability: \$1,000,000 per occurrence — below the \$3,000,000 minimum required by Civil Code §5805 for associations with more than 100 units.
- Per October, 2025 Board Minutes, the new insurance is 25% more than the 2026 budget of "\$80,000". The 2026 Annual Budget provided remains \$79,596.

Reserve Fund:

- Reserve Health Rating: STRONG — 104.9% Fully Funded.
- Reserve fund balance as of December 31, 2025: \$1,190,213.55 (per Balance Sheet, December 31, 2025). Amount Required to be Fully Funded (2026): \$1,131,471. No deficiency — fund exceeds required amount by \$58,742.55.
- 2026 annual reserve contribution: \$216,030 (\$89.12 per unit per month).
- Reserve Study dated December 2023, prepared without physical inspection — three-year update due by December 2026.

SECTION 4 — GOVERNING DOCUMENTS

The Davis-Stirling Common Interest Development Act requires HOAs to provide governing documents to prospective buyers pursuant to Civil Code §4525(a)(1). The four governing documents for [REDACTED] are described below.

4a. Covenants, Conditions and Restrictions (CC&Rs)

Recorded: October 22, 2019, Alameda County Official Records, Instrument No. 2019214369. Prepared by Berding & Weil LLP. This is an Amended and Restated Declaration authorized by a Superior Court Order (Alameda County Case No. RG19025071, signed September 18, 2019).

“CC&Rs describe property rights and obligations of the membership, such as (i) restrictions on the use of property, (ii) member and association maintenance duties, (iii) enforcement powers, (iv) lender protection provisions, (v) assessment obligations and lien/collection rights, (vi) duty to insure, and (vii) dispute resolution and attorneys’ fees provisions.” — Definition from the Davis-Stirling Act

4b. Bylaws

Adopted: May 25, 2015. Prepared by Berding & Weil LLP.

“Bylaws establish policies and procedures for the governing of the association. They set qualifications for the election of directors, their number and term of office, their powers and duties, the appointment of officers, when and how the meetings are held, quorum and voting requirements, appointment of committees, etc.” — Definition from the Davis-Stirling Act

4c. Articles of Incorporation

Filed: July 9, 2016, California Secretary of State, Document No. A0786874. Prepared by Berding & Weil LLP.

“The articles of incorporation of an association filed with the Secretary of State includes a statement that identifies the corporation as an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, states the business or corporate office and states the name and address of the association’s managing agent.” — Definition from the Davis-Stirling Act

4d. Operating Rules and Association Policies

Rules and Regulations adopted: March 9, 2021. Fine Schedule adopted: January 18, 2012.

“Operating rules (aka ‘Rules and Regulations’) are regulations adopted by the board that apply generally to the management and operation of the common interest development or the conduct of the business and affairs of the association.” — Definition from the Davis-Stirling Act

SECTION 5 — KEY RESTRICTIONS AND POLICIES

For each topic below, all governing documents have been reviewed. The CC&Rs establish the broad framework; the Operating Rules, Rules & Regulations, and Welcome Package provide operational detail as permitted under the CC&Rs.

Use Restrictions

Sources reviewed: CC&Rs (Amended & Restated, October 22, 2019) | Operating Rules (March 9, 2021) | Welcome Package (July 22, 2015)

- CC&Rs Article 5.1 — Residential Units (upper four floors) must be used exclusively for single-family residential purposes in conformance with applicable zoning laws.
- CC&Rs Article 5.1 — Limited home-based business activity is permitted if no employees, patrons, or clients are present on more than an infrequent basis, there is no external evidence of the activity, and the use is merely incidental to residential occupancy.
- CC&Rs Article 5.1 — Loft Units (ground-level) may be used for residential, live-work, retail, or office purposes with exceptions. Nine Restricted Loft Units have additional restrictions prohibiting general food sales, convenience markets, alcoholic beverage sales, and fast-food operations.
- CC&Rs Article 5.2 — Prohibited uses (all units): amusement centers, entertainment facilities, bingo or game parlors, billiard parlors, recording studios, medical or dental offices, martial arts gymnasiums, coin-operated laundries, tattoo parlors, dance halls, pharmacies, churches, schools, childcare facilities, nightclubs, or any use creating a nuisance.
- CC&Rs Article 5.3 — No signs of any kind (commercial, political, or otherwise) may be posted in windows or on the building exterior except as specifically authorized.
- Operating Rules Section 3 — Business use within loft units requires a valid business license. Commercial signage requires Board approval.
- Operating Rules Section 3 — No decorations or holiday lighting may be affixed to building exteriors without prior Board approval. Exterior penetrations of any kind are prohibited without Board approval.
- Operating Rules Section 3 — No balcony, patio, or deck covers, water softeners, or non-original machines may be installed. Interior wall penetrations of more than one-half inch are prohibited without Board approval.
- Unit 535 is a Residential Unit and is subject to the residential use restrictions above.

Rental Restrictions

Sources reviewed: CC&Rs Article 6 | Operating Rules Section 5 | Rental Restrictions Notice

- CC&Rs Article 6.1 — Owner must owner-occupy the unit for at least two years after acquisition before renting (applies to owners who purchased after October 22, 2019).
- CC&Rs Article 6.2 — All leases must be in writing and for an initial term of at least one year.
- CC&Rs Article 6.3 — No transient rentals — Airbnb, VRBO, HomeAway, or any rental for less than 30 days is prohibited.
- CC&Rs Article 6.4 — Rental cap: no more than 30% of the 174 Residential Units (maximum 52 units) may be rented at any one time. Owners who purchased after October 22, 2019 are subject to the cap; grandfathered owners are not.
- CC&Rs Article 6.5 — Written Board approval is required before any unit may be rented. Subletting is not permitted.

- Operating Rules Section 5 — Owners must provide management with tenant names and must provide tenants with copies of all governing documents.
- Rental Restrictions Notice — Buyers intending to rent must contact management prior to closing for approval.
- Board Meeting Minutes, April 1, 2025 — Confirmed rental restriction is in effect; owners who acquired after 2019 may not rent until the building has fallen below the rental cap.

Pet Restrictions

Sources reviewed: CC&Rs Article 5.14 | Operating Rules Section 7

- Maximum one dog and two cats or two birds per unit (maximum three pets, excluding aquarium fish up to 30 gallons).
- Pets must be leashed, caged, or carried at all times in common areas.
- Pets are prohibited in the business center, conference room, fitness center, and sauna/steam room.
- Pet owners are liable for all injuries and property damage caused by their animals.
- Pet registration forms must be submitted to the Association within 10 days of move-in.
- Service animals and assistance animals are exempt per federal and state fair housing law.

Smoking Restrictions

Sources reviewed: CC&Rs Article 5.4 | Operating Rules Section 9

- Smoking is completely prohibited throughout all common areas, whether indoors or outdoors.
- Prohibited areas include: elevators, hallways, stairwells, lobbies, roof deck, courtyards, fitness center, business center, sauna, steam room, garage, storage rooms, utility rooms, balconies, patios, and the area in front of the main lobby entrance.
- Smoking is defined broadly to include traditional cigarettes, electronic cigarettes, cigars, vapor devices, and marijuana.
- Smoking within an individual unit is permitted provided smoke does not migrate into common areas or other units.
- Board Meeting Minutes, August 5, 2025 — Stairwell cameras were approved specifically to monitor and enforce the no-smoking restriction.

Maintenance, Repair and Replacement Responsibilities

Sources reviewed: CC&Rs Article 7 and Exhibit E | Bylaws Article 7 | Operating Rules Section 4

Association responsible for:

- All Common Area: exterior walls, roofs, foundations, bearing walls, structural elements
- Elevators and elevator shafts, common area corridors, lobbies, stairwells
- Parking garage and ramps, landscaping and irrigation
- All mechanical systems serving more than one unit (boilers, HVAC, pumps)
- Fire and life safety systems, exterior windows and exterior doors (including frames and hardware)
- All plumbing and utility lines except those exclusively serving a single unit

Owner responsible for:

- All interior finishes within unit boundaries (paint, flooring, countertops, cabinets, interior doors)
- Appliances and fixtures exclusively serving the unit
- Interior plumbing repairs and prompt reporting of leaks
- Balconies and decks (surface maintenance) — structural components belong to the Association
- Assigned parking spaces and any owner-installed electric vehicle charging stations
- Owners bear liability for damage caused by their negligence or that of their tenants and guests

A Unit Maintenance and Repair Responsibilities chart appears as Exhibit E to the CC&Rs.

Board Meetings and Minutes

Sources reviewed: CC&Rs Article 3 | Bylaws Article 3 | Board Meeting Minutes — April 1, 2025; August 5, 2025; October 14, 2025; January 20, 2026; March 3, 2026

- Regular meetings held monthly; may be reduced to quarterly if business does not justify monthly sessions.
- All regular and special meetings are open to members except executive session.
- Notice of open Board meetings must be given at least four days in advance.
- Members have the right to receive meeting minutes within 30 days of any Board meeting upon written request.
- Board consists of five directors elected for staggered two-year terms. Proxies are expressly prohibited.
- Board may meet in executive session for legal matters, personnel, member discipline, contract formation, litigation, and delinquent assessment discussions.
- Minutes provided: April 1, 2025; August 5, 2025; October 14, 2025; January 20, 2026; and March 3, 2026 — 5 of 12 months. Seven months of the prior 12-month period are not included in this package.

Litigation

Sources reviewed: Litigation Document | Notices — Civil Code §1375.1 Construction Defect Settlement Notice | Preliminary Title Report

- The litigation document included in this package states no current litigation information is available or applicable.
- A construction defect lawsuit was settled in June 2013. Components subject to repair or replacement: exterior envelope (stucco, windows, doors, metal siding), decking, plumbing, HVAC, landscaping drainage, and courtyard podium.
- The Preliminary Title Report does not disclose any open judgments or litigation affecting title to Unit 535.

Outstanding Loans

Sources reviewed: 2026 Annual Budget Report Cover Letter | Financial Statements

- The 2026 Annual Budget Report cover letter states: “The Association has no outstanding loans with an original term of more than one year.”
- No loan obligations are reflected in the financial statements for the years ended December 31, 2024 and 2023.

FHA and VA Financing Eligibility

Sources reviewed: *FHA Disclosure | VA Disclosure — included in Annual Budget Report package*

- The Association is NOT certified by the Federal Housing Administration (FHA).
- The Association is NOT certified by the Department of Veterans Affairs (VA).
- FHA-insured financing and VA-guaranteed financing are not available for the purchase of this unit.
- Conventional financing is not affected by these certifications.

Exterior Elevated Structures Inspection

Sources reviewed: *California 4528 Form | Civil Code §5551 (SB326/EEE)*

- California Civil Code §5551 (SB 326, effective January 1, 2020) requires associations with exterior elevated elements — including balconies, decks, and walkways with waterproofing — to conduct visual inspections every nine years. This requirement applies to wood-framed or waterproofed elevated structures.
- [REDACTED] has confirmed that its exterior elevated structures (balconies, decks, and walkways) are constructed of metal, not wood-framed or waterproofed construction. Accordingly, this Association's elevated elements are not subject to the SB326/EEE inspection requirement under Civil Code §5551.

Board Deferred Repairs and Replacements

Sources reviewed: *2026 Annual Budget Report Cover Letter*

- The 2026 Annual Budget Report states: "The Board of Directors has no intention to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less."

SECTION 7 — INSURANCE | Civil Code §5300(b)(9)

Master Policy Carrier	Travelers Indemnity Co. of Connecticut
Per-Occurrence Deductible	\$25,000 (Property) \$10,000 (Fidelity/Crime) \$10,000 (D&O) \$0 (General Liability)
Policy Period	February 18, 2026 – February 18, 2027
Status as of Review Date	CURRENT — All policies effective February 18, 2026 through February 18, 2027.

Minimum Coverage Requirements | Civil Code §§5800, 5806

████████████████████ has 202 units, which exceeds 100 units. The applicable statutory minimums are:

Coverage Type	Required (>100 Units)	Actual
Directors & Officers (D&O) Liability	\$1,000,000 minimum (>100 units)	\$1,000,000 Continental Casualty Co.
Notes:		
General Liability	\$3,000,000 minimum (>100 units)	\$1,000,000 Travelers Indemnity Co. Umbrella: \$5,000,000 Spinnaker Specialty Insurance Co.
Notes:	<i>Standalone General Liability policy of \$1,000,000 does not meet the \$3,000,000 statutory minimum for associations with more than 100 units. A \$5,000,000 Umbrella/Excess Liability policy through Greenwich Insurance Company is in place. The Association's insurance agent is Gemini Insurance Agency, Inc., CA Lic. 6008152, (858) 500-0664.</i>	
Employee Dishonesty / Fidelity Bond	\$1,241,416 minimum Calculation: Reserves: \$1,186,573 Plus 3 months' assessments: \$54,843 Required minimum: \$1,241,416	\$2,000,000 Continental Casualty Co.
Notes:		
Workers' Compensation	\$1,000,000 statutory limits	\$1,000,000 PA Manufacturers' Assoc.
Notes:		
Property (Hazard)	100% replacement cost	\$136,110,312 Travelers Indemnity Co.
Notes:		
Earthquake	Not required by statute	Not carried
Notes:		

Flood	Not required by statute	Not carried
Notes:		

Personal Coverage Guidance | Condo Owner “HO6” Policy / Condo Rented to Others “HO4” Policy

- “Walls-In” and personal content coverage.
- Personal Liability: protects you, the owner, from liability losses such as slip-and-fall that occur within your unit.
- Deductible Reimbursement coverage: to cover the Association’s Master Policy deductible of \$25,000 if you, as the unit owner, are responsible to pay it.
- Loss Assessment coverage: If a covered loss exceeds the limitations of the Association’s insurance policy, the Association will have to specially assess the unit owners to make up the difference. This coverage will provide funds to pay such a special assessment.
- Loss of Use coverage: If there is a loss at your unit and you must stay off premises during the rebuilding process (i.e. hotel), this coverage will cover that extra expense.

SAMPLE

SECTION 8 — ANNUAL BUDGET | Civil Code §§4525(a)(3), 5300

Budget Year: 2026

Operating Expense Item	2026 Annual Budget	Avg / Unit / Mo
Operating Expenses		
Licenses and Permits	\$699.96	\$0.29
Move In/Out Supervision	\$8,600.00	\$3.55
Printing, Postage & Mailing	\$8,600.00	\$3.55
Boiler	\$10,000.00	\$4.13
Elevator — Contract	\$34,000.00	\$14.03
Elevator — Repairs	\$6,999.96	\$2.89
Fire Alarm — Inspection/Testing	\$9,999.96	\$4.13
Vehicle Gate Contract	\$9,000.00	\$3.71
HVAC	\$9,000.00	\$3.71
Blanket Hazard / Insurance	\$79,595.96	\$32.84
Janitorial Contract	\$82,680.00	\$34.11
Window Washing	\$14,040.00	\$5.79
Landscape — Contract	\$7,279.96	\$3.00
General Maintenance	\$15,000.00	\$6.19
Offsite Management	\$66,782.34	\$27.55
Pest Control	\$2,799.96	\$1.16
Plumbing Maintenance	\$5,000.04	\$2.06
Legal & Professional	\$10,000.00	\$4.13
Gas & Electric	\$175,000.00	\$72.19
Telephone	\$11,000.04	\$4.54
Trash Disposal	\$15,000.00	\$6.19
Water	\$119,500.00	\$49.30
Waste Disposal	\$80,000.00	\$33.00
Other Operating Expenses	\$47,415.71	\$19.56
Total Operating Expenses	\$827,612.93	\$341.42
Contribution to Reserve Account	\$216,030.00	\$89.12
Average Monthly HOA Dues (all 202 units)	\$1,043,642.93	\$430.55
Unit 535 Monthly Assessment (Dues)		\$487.87
<i>Per the Annual Budget Report – 2026 Assessments (page7)</i>		

Note: Assessments at the Association vary by unit square footage using a variable multiplier system established in CC&Rs Exhibit C. **Per-unit figures above represent 2026 budget averages across all 202 units.**

SECTION 8 — RESERVE STUDY ANALYSIS

Study Preparer	Anderson Property Group, Inc. — P.O. Box 582, Star, ID 83669 — (925) 277-8178
Study Type	Reserve Funding Study Update
Study Date	December 11, 2023
Study Period	January 1, 2024 through December 31, 2053 (30 years)
Methodology	Cash Flow Method
Physical Inspection	No physical inspection performed — information obtained from Board and Association records
Number of Units	202

DISCLAIMER

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Executive Summary

Reserve Health Rating: STRONG — 105.19% Fully Funded

Reserve Funding Status:

- Amount Required to be Fully Funded (2026): \$1,131,471 — Source: Assessment & Reserve Funding Disclosure Summary
- Reserve Study Projected Balance (beginning of 2026): \$1,201,602 — Source: Assessment & Reserve Funding Disclosure Summary
- Actual Reserve Fund Balance (December 31, 2024): \$1,186,573 — Source: Reviewed Financial Statements, Levy Erlanger & Co. LLP
- Beginning Balance Used for Analysis: \$1,190,213.55 (actual Balance Sheet balance, December 31, 2025 — higher than Reserve Study projected balance of \$1,201,602; actual figure used as most current confirmed balance)
- Fully Funded %: 105.19% — Reserve Health Rating: STRONG
- Annual Reserve Contribution 2026: \$216,030 (\$89.12 per unit per month)
- Planned annual contribution increase: 3.6% per year through 2053

Financial Outlook:

- Reserve fund maintains a positive balance in all 20 projected years
- Largest projected expenditure year: 2029 — \$673,147 (built-up roof replacement, future cost approximately \$497,214)
- Second largest projected expenditure year: 2038 — \$856,943 (elevator system enhancements and fire/life safety replacements)

- Lowest projected end-of-year balance: \$963,158 in 2029 following the roof replacement expenditure

Special Assessment Status:

- No special assessments currently imposed or anticipated
- Board has certified reserves will be sufficient for the next 30 years under the current funding plan
- Maximum special assessment without owner vote (Civil Code §5610): \$52,182 total / \$258.33 per unit

Funding Status

Metric	Amount	Source
Amount Required to be Fully Funded (2026)	\$1,131,471	Assessment & Reserve Funding Disclosure
Reserve Study Projected Balance (2026)	\$1,201,602	Assessment & Reserve Funding Disclosure
Actual Reserve Fund Balance (Dec 31, 2024)	\$1,186,573	Financial Statements — Levy Erlanger & Co.
Beginning Balance Used	\$1,190,213.55	Actual Balance Sheet balance, December 31, 2025
Fully Funded % January 2026	105.19%	$\$1,190,213.55 \div \$1,131,471$
Reserve Health Rating	STRONG	≥100% threshold

Definition of a Fully Funded Reserve Balance

A Fully Funded Reserve Balance means the reserve fund has the appropriate amount of funds for the specific point in time, assuming the HOA will continue the annual contribution to have full funds for the repair when needed.

Example (without interest and inflation): The Association reserve study says the roof has a 40-year useful life. It will need to be replaced in 10 years at a replacement cost of \$100,000. The Association has deposited \$2,500 per year for 30 years. The Reserve Balance for the roof is \$75,000, which is considered Fully Funded for this point in time — with the underlying assumption that the additional \$2,500 per year will be deposited in the Reserve Account to have the full \$100,000 in 10 years when the roof needs to be replaced.

$$\text{Fully Funded Reserve Balance} = (\text{Age} \div \text{Useful Life}) \times \text{Replacement Cost}$$

$$\text{Fully Funded Reserve Balance} = (30 \text{ Years} \div 40 \text{ Years}) \times \$100,000 = 0.75 \times \$100,000 = \$75,000$$

Deficiency Analysis

Estimated Deficiency per Unit	Actual Deficiency per Unit
<p><i>Basis: Reserve Study projected balance</i> $(\\$1,131,471 \text{ Required} - \\$1,201,602 \text{ Projected}) \div 202 \text{ Units}$</p> <p style="text-align: center;">\$0</p> <p><i>Fund exceeds required amount</i></p>	<p><i>Basis: Actual balance per financial statements</i> $(\\$1,131,471 \text{ Required} - \\$1,186,573 \text{ Actual}) \div 202 \text{ Units}$</p> <p style="text-align: center;">\$0</p> <p><i>Fund exceeds required amount</i></p>

Projected Reserve Balance — Current Year Forward

Projection Period: 2026–2033 | Starting Balance: \$1,085,767 | Source: Reserve Study Update, December 2023

Note: Prior years (2024–2025) are excluded — projection begins with the current fiscal year 2026.

Year	Start Bal.	Rsv Contrib	Loan/SA	Int.	Expenses	End Bal.	FF Reqd.	% Fnd/Risk
2026	\$1,190,213.55	\$216,030.00	\$0	\$16,490	\$87,027	\$1,335,707	\$1,131,471	118.1% / STRONG
2027	\$1,335,707	\$223,807	\$0	\$19,286	\$16,613	\$1,562,187	\$1,268,251	123.2% / STRONG
2028	\$1,562,187	\$231,864	\$0	\$18,001	\$353,958	\$1,458,094	\$1,483,502	98.3% / ADEQUATE
2029	\$1,458,094	\$240,211	\$0	\$12,814	\$673,147	\$1,037,972	\$1,369,755	75.8% / ADEQUATE
2030	\$1,037,972	\$248,859	\$0	\$14,580	\$120,418	\$1,180,993	\$1,105,597	106.8% / STRONG
2031	\$1,180,993	\$257,818	\$0	\$17,011	\$77,939	\$1,377,883		
2032	\$1,377,883	\$267,099	\$0	\$17,135	\$271,181	\$1,387,936		
2033	\$1,387,936	\$276,715	\$0	\$15,250	\$444,632	\$1,235,269		

Assumptions: After-Tax Interest Rate 1.25% | Inflation Rate 3.25% | Annual Reserve Contribution Increase 3.6% | Interest calculated using average balance method: (Start Balance + Annual Reserve Contribution – Annual Expenses) × Interest Rate

Special Assessment Analysis

Item	Amount
Total 2026 Budget	\$1,043,642.93
Maximum Special Assessment Without Owner Vote (5% per Civil Code §5610)	\$52,182.15
Maximum Special Assessment per Unit without Owner Vote	\$258.33

History of Special Assessments: Not disclosed in documents provided.

Q: Will projected reserve balances be sufficient to meet the Association’s obligations over the next 30 years?

A: The Board has certified in the Assessment and Reserve Funding Disclosure Summary that reserves will be sufficient under the current funding plan.

Annual HOA Dues Outlook

2026 Assessment — Budget Average per Unit

Component	Annual Total	Avg Per Unit / Month
Operating Expenses (excl. reserve)	\$827,612.93	\$341.29
Reserve Contribution	\$216,030.00	\$89.12
Total Assessment Income from Dues	\$1,043,642.93	\$430.41

Note: The figures above are budget averages across all 202 units. Individual unit assessments vary by square footage per CC&Rs Exhibit C. The 2026 assessment for Unit 535 is \$487.87 per month.

10-Year HOA Dues Projection (Reserve Study Recommended Funding Rate)

Based on: Reserve Contribution increasing 3.6% annually | Operating Expenses increasing at 3.25% inflation rate

Year	Reserve Contrib/Unit/Mo.	Est. Operating /Unit/Mo.	Est. Total Dues/Unit/Mo.	% Annual Increase	Max Allowed	Notes
2026	\$89.12	\$341.42	\$430.55	—	20%	Base year
2027	\$92.33	\$352.52	\$444.85	3.3%	20%	
2028	\$95.65	\$363.98	\$459.63	3.3%	20%	
2029	\$99.10	\$375.81	\$474.90	3.3%	20%	Large expenditure year: \$673,147
2030	\$102.66	\$388.02	\$490.69	3.3%	20%	
2031	\$106.36	\$400.63	\$506.99	3.3%	20%	
2032	\$110.19	\$413.65	\$523.84	3.3%	20%	
2033	\$114.16	\$427.10	\$541.25	3.3%	20%	
2034	\$118.27	\$440.98	\$559.24	3.3%	20%	Large expenditure year: \$676,712
2035	\$122.52	\$455.31	\$577.83	3.3%	20%	

Max Allowed: 20% per year per California law (Civil Code §5605). Displayed as flat statutory reference — no compounding.

Compliance Review Solutions has not verified if the HOA Board has followed the Reserve Study recommendations in the past or will in the future.

SB326/EEE — Exterior Elevated Elements

California Civil Code §5551 (SB 326, effective January 1, 2020) requires associations with exterior elevated elements — including balconies, decks, and walkways with waterproofing — to conduct visual inspections every nine years.

[REDACTED] has confirmed that its exterior elevated structures (balconies, decks, and walkways) are constructed of metal, not wood-framed or waterproofed construction. This Association's elevated elements are not subject to the SB326/EEE inspection requirement under Civil Code §5551. No SB326/EEE inspection report is required.

SECTION 9 — KEY FINDINGS

The following findings are drawn from the documents provided. Each finding is reported as presented in the documents.

General Liability Insurance — Standalone Policy Below Statutory Minimum

Why It Matters:	<i>The primary General Liability policy carries a \$1,000,000 per-occurrence limit. California Civil Code §5805 requires a minimum of \$3,000,000 for associations with more than 100 units. The Association's own CC&Rs Section 10.4 independently require \$3,000,000. A \$5,000,000 Umbrella/Excess Liability policy through Greenwich Insurance Company is in place; the combined exposure would be \$6,000,000 if the umbrella sits directly above and responds to the same class of claims as the primary policy. Whether the combined program satisfies the Civil Code §5805 requirement as a standalone matter is not disclosed in the documents provided.</i>
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FHA and VA Non-Certification

Why It Matters:	<i>The Association is not certified by the Federal Housing Administration and is not certified by the Department of Veterans Affairs. FHA-insured and VA-guaranteed financing is not available for the purchase of this unit. Future buyers who wish to use FHA or VA financing will also be unable to do so unless the association pursues and obtains certification.</i>
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Five-Year Reserve Projection

Why It Matters:	<i>The Projected Reserve Balance table in this report uses the actual reserve fund balance of \$1,190,213.55 per the December 31, 2025 Balance Sheet as the starting balance for 2026 projections. The Assessment and Reserve Funding Disclosure Summary (Reserve Study dated December 11, 2023) used the Reserve Study's projected beginning balance, not the actual Balance Sheet balance. These two starting points produce different projected balances in subsequent years. Additionally, the Disclosure Summary indicates 100% funded status for 2028 and 2029; however both years fall below the Amount Required to be Fully Funded: 2028 projects at 98.3% funded and 2029 at 75.8% funded. This report uses the actual Balance Sheet balance as the more accurate starting point and has recalculated all projected balances forward from that figure.</i>
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Reserve Study Prepared Without Physical Inspection

Why It Matters:	<i>The Reserve Study dated December 11, 2023 was prepared as an Annual Review without a physical site inspection. Component conditions, remaining useful lives, and replacement costs were based solely on information provided by the Board and Association records. California Civil Code §5550 requires a full Reserve Study with physical inspection at least once every three years. If we assume the most recent Reserve Study with physical inspection was completed on December 11, 2022 (one year</i>
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prior to the December 11, 2023 Annual Review), the next Reserve Study with physical inspection would have been due no later than December 11, 2025. As of April 29, 2026, no Reserve Study with physical inspection completed after December 11, 2022 has been provided in this document package.

Rental Cap Exceeded — Two-Year Owner-Occupancy Requirement Applies

Why It Matters:

The CC&Rs limit rentals to a maximum of 30% of the 174 Residential Units (52 units maximum). As of the March 3, 2026 Board meeting, 60 units are currently rented — 8 units over the cap. The Board is consulting legal counsel to estimate costs to amend the CC&Rs to adjust the rental cap; no amendment has been approved or recorded. Until an amendment is approved, the existing cap of 52 units remains in effect. Owners who purchased after October 22, 2019 must owner-occupy for two years before applying to rent and must obtain Board approval. With the cap currently exceeded, Board approval to rent may not be available to new purchasers during the ownership period.

Board Meeting Minutes — 5 Months Provided

Why It Matters:

The disclosure package includes minutes for five of the prior 12 months: April 1, 2025; August 5, 2025; October 14, 2025; January 20, 2026; and March 3, 2026. Civil Code §4525(a)(10) entitles buyers to minutes from all regular board meetings conducted during the prior 12 months upon request. This may represent the total number of meetings held in the most recent 12 months, but there is no confirmation of the total number of meetings held in this document package. Seven months remain outstanding.

Prior Construction Defect Litigation — Settled June 2013

Why It Matters:

A construction defect lawsuit was settled in June 2013. Components subject to repair or replacement included the exterior envelope (stucco, windows, doors, metal siding), decking, plumbing, HVAC, landscaping drainage, and courtyard podium. No subsequent litigation notice is present in the documents provided. The Preliminary Title Report does not disclose any open judgments or litigation affecting title to Unit 535.

SECTION 10 — DISCLAIMER

DISCLAIMER

The following HOA Disclosure Compliance Review (“Review”) is provided for Buyer’s informational purposes only. The following additional disclaimers are made and accepted by Buyer: (1) The Compliance Review covers only the documents that an HOA must legally provide to the buyer pursuant to California Civil Code; (2) The Compliance Review is only current as of the date of the documents as noted; (3) The Review does not guarantee the accuracy of the documents provided and reviewed; (4) The Review does not forecast any future action that may be taken by the HOA, the Board of Directors, or the Property Management Company.