

HOA Governance Document Review

Red Flag Memo

Property: [REDACTED]

HOA: [REDACTED]

Management: [REDACTED]

Prepared: [REDACTED]

Client: [REDACTED]

Findings: 20 total

Critical: 6 | Significant: 11 | Moderate: 3 | Minor: 0

Estimated financial exposure: \$8,000 - \$30,000

This memo is an analytical aid prepared by a trained operator using AI-assisted extraction. It is not legal advice. The buyer should consult their attorney before making decisions based on this analysis.

Findings at a Glance

#	Finding	Severity	Category	Urgency	Evidence
1	Reserve fund critically underfunded at 61% of recommended levels	Critical	Financial	Before closing	Convention (C)
2	Parking structure repairs estimated to exceed \$420,000 with no funding plan	Critical	Financial	Before closing	Derived (B)
3	Master policy carries \$75,000 water intrusion deductible after three prior claims	Critical	Insurance	Before closing	Stated (A)
4	2026 policy renewal excludes repeated seepage and mold remediation coverage	Critical	Insurance	Before closing	Stated (A)
5	New lease approvals suspended due to owner-occupancy ratio concerns	Critical	Use Restriction	Before closing	Convention (C)
6	Lenders requesting additional reserve documentation during underwriting	Critical	Financial	Before closing	Stated (A)
7	Reserve study is five years stale with no updated analysis	Significant	Financial	Before closing	Convention (C)
8	Board actively considering bank loan for parking repairs instead of special assessment	Significant	Financial	Before closing	Convention (C)
9	Insurance premiums increased 43% year-over-year indicating carrier distress	Significant	Insurance	Before closing	Derived (B)
10	30% rental concentration cap and board approval required for all leases	Significant	Use Restriction	Before closing	Stated (A)
11	Balcony waterproofing and sliding door responsibility actively disputed	Significant	Maintenance	Before closing	Stated (A)
12	Elevator modernization required within 3-5 years with no dedicated funding	Significant	Financial	Before closing	Convention (C)
13	HVAC repair budget increased 55% year-over-year reflecting recurring system failures	Significant	Maintenance	Before closing	Derived (B)
14	Concrete and garage repair budget increased 300% year-over-year	Significant	Financial	Before closing	Derived (B)
15	Reserve contributions increased only minimally despite engineering-identified capital needs	Significant	Financial	Before closing	Derived (B)
16	Drainage grading deficiencies near Building 2 identified but unresolved	Significant	Maintenance	Before closing	Stated (A)
17	Short-term rentals under 30 days prohibited	Significant	Use Restriction	Before closing	Stated (A)
18	Unit owner delinquency includes one account in attorney collection at \$7,420	Moderate	Financial	Within 30 days	Derived (B)
19	Single HVAC vendor monopoly with no competitive bidding on common systems	Moderate	Governance	First year	Stated (A)
20	EV charging installation requires engineering review and additional insurance	Moderate	Use Restriction	First year	Stated (A)

Overall Risk Assessment

This governance package presents a cluster of serious, interconnected concerns rather than isolated issues. The association is managing three concurrent pressures: a capital infrastructure deficit with no funded resolution plan, an insurance profile that has deteriorated in both cost and coverage, and a financing environment in which lenders are already scrutinizing the community. None of these issues is independently catastrophic, but together they reflect a community whose financial trajectory is under significant stress. A buyer proceeding with this purchase should do so with a clear-eyed understanding that the near-term dues environment is likely to increase, that one or more special assessments or significant borrowing are structurally possible given current conditions, and that the ability to rent or resell to a broad pool of buyers is currently constrained. This package warrants careful review by both the buyer's real estate attorney and the buyer's lender before closing.

Financial Exposure Summary

The governance package for this [REDACTED] community presents layered financial risk across documented capital deficits, probable near-term funding pressures, and contingent uninsured losses. The most concrete exposure is the \$420,000-plus parking structure repair identified in a 2025 engineering report, against a total reserve balance of only \$278,440 that must also cover elevator modernization, HVAC deterioration, and drainage deficiencies. Reserve contributions were increased by only 3.7% in the 2026 budget despite management's recommendation for a more substantial increase, and the board has not adopted a formal funding plan for any of these projects. Insurance costs rose 43% year-over-year to \$189,000, and the 2026 renewal added exclusions for repeated seepage and mold remediation, the exact loss category the association has experienced three times since 2023. Two lenders have already requested additional reserve documentation before approving buyer financing in this community, and new lease approvals have been suspended due to owner-occupancy ratio concerns, both of which introduce financing risk for this transaction. Aggregate near-term financial exposure is estimated at \$8,000 to \$30,000 (approximately 2.4% to 8.8% of the \$340,000 purchase price) across known and probable tiers, not including speculative scenarios involving uninsured losses or litigation. That range reflects only the tiered findings below and does not represent a forecast of what the board will assess or when.

Known obligations (Tier A/B: stated or derived from documents)

Elevated insurance premium already embedded in 2026 dues: \$594

The 2026 budget reflects a stated insurance premium of \$189,000, up from \$132,000 in 2025. In a 96-unit building, this \$57,000 increase represents approximately \$594 per unit annually in additional operating cost already built into current dues.

Elevated HVAC repair budget already embedded in 2026 dues: \$250

The 2026 HVAC repair budget increased by a stated \$24,000 over 2025. In a 96-unit building, this represents approximately \$250 per unit annually in additional operating cost already reflected in current dues.

Outstanding delinquency balance reducing effective reserve contributions: \$12,518

The delinquency snapshot states a total uncollected balance of \$12,518 across three units, one of which is in attorney-stage collection. This amount represents funds the association has budgeted but not yet received, widening the gap between actual and needed reserves.

Illustrative exposures (Tier B/C: derived or convention-based)

Parking structure repair funding gap: ~ \$1,474 - \$4,375

The 2025 engineering report states repairs could exceed \$420,000 against a total reserve balance of \$278,440. If the board allocates the shortfall equally across 96 units, an illustrative per-unit range would be approximately \$1,474 (shortfall only) to \$4,375 (full project cost). Actual amounts depend on the board's chosen allocation methodology, financing approach, and governing-document authority, none of which have been determined as of the documents reviewed.

Elevator modernization funding gap: ~ \$1,458 - \$4,167

The 2025 engineering report recommends elevator modernization within 3 to 5 years with no dedicated funding identified. Elevator modernization for a mid-rise building commonly ranges from \$80,000 to \$200,000 per cab (generalized industry estimate, not sourced from the governance documents). If two cabs are modernized and the cost is allocated equally across 96 units, an illustrative per-unit range would be approximately \$1,458 to \$4,167. This is a contingent scenario only; the number of cabs, scope, timing, and allocation methodology are not stated in the documents.

Financing rate premium if conventional financing is restricted: ~ \$3,400 - \$5,100

Two lenders have requested additional reserve documentation before approving buyer financing in this community, and the owner-occupancy ratio triggered a lease suspension in August 2025. Delinquency rates above 15% and reserve funding below common thresholds are factors lenders review in project approvals for conventional financing programs. If the buyer is limited to

portfolio or non-agency loan products, rate premiums commonly associated with such products could add approximately \$3,400 to \$5,100 or more annually on a \$340,000 purchase (lending convention). This is an illustrative scenario only; whether any specific lender will apply these concerns to this transaction cannot be determined from the governance documents.

Contingent scenarios (Tier C/D: convention or modeled)

Uninsured water intrusion or mold loss: Not quantifiable from disclosed documents

The 2026 policy renewal excludes repeated seepage and mold remediation, and the master policy carries a \$75,000 deductible for water intrusion claims. The association has experienced three water intrusion claims since 2023, and the 2025 engineering report identified unresolved drainage grading deficiencies near Building 2 and a disputed maintenance boundary for balcony waterproofing. If a future water intrusion event occurs, the uninsured exposure could range from the \$75,000 deductible per incident to the full cost of mold remediation in a multi-unit building, which industry benchmarks place in the tens of thousands to hundreds of thousands of dollars depending on scope (generalized industry estimate). The financial impact on a per-unit basis cannot be determined without knowing the association's deductible allocation policy and the scope of any future loss.

Association borrowing for parking repairs and its effect on unit financing: Not quantifiable from disclosed documents

The March 2026 board minutes reflect discussion of a bank loan to fund the parking structure repair rather than a special assessment. HOA-level debt is a factor lenders review during project approval for conventional financing, and some lenders restrict financing in communities with outstanding HOA loans (lending convention). No loan has been approved, and the financial terms, structure, or impact on individual unit financing are not stated in the documents.

Red Flags

1. Reserve fund critically underfunded at 61% of recommended levels

Critical | Financial | Before closing | Convention (C) | Association Overview / Current Financial Position

The HOA has saved significantly less money than engineers say it needs for future repairs, and the board recently voted not to increase savings. This could mean you are asked to pay a large one-time special assessment for repairs after you move in, and it may make it harder to get a mortgage for this property.

Financial impact: Reserve funding at 61% falls below the 70-80% threshold commonly referenced in industry reserve-study guidance (industry benchmark). Lenders including Fannie Mae and FHA-approved project reviewers often scrutinize communities below these thresholds, which could affect the buyer's ability to obtain standard mortgage financing (lending convention). Direct per-unit financial exposure is not calculable from available documents but is addressed in f_003 and f_012.

For attorney and HOA management: Request the full 2021 reserve study and the November 2025 board meeting minutes, then ask your lender in writing whether this community currently meets their project approval requirements given the 61% reserve funding level.

2. Parking structure repairs estimated to exceed \$420,000 with no funding plan

Critical | Financial | Before closing | Derived (B) | Pending Projects and Engineering Recommendations

A single repair project in the underground parking garage is estimated to cost more than all the money the HOA currently has saved, which means you could be asked to pay thousands of dollars in a lump sum shortly after buying.

Financial impact: Stated reserve balance: \$278,440. Stated repair estimate: \$420,000 minimum. Shortfall for this project alone: at least \$141,560 (\$420,000 minus \$278,440). In a 96-unit association, an illustrative equal per-unit allocation of the \$141,560 shortfall would be approximately \$1,474 per unit, not accounting for other capital needs competing for the same reserve fund. If the full \$420,000 were funded from reserves and a special assessment in equal shares, the illustrative per-unit share would be approximately \$4,375. These are illustrative scenarios only; actual allocation would depend on board decisions and the governing documents.

For attorney and HOA management: Ask the HOA management company for the board's current timeline and funding mechanism for the parking structure repairs, and ask your attorney to review whether the governing documents allow the board to levy a special assessment without a unit owner vote and what the per-unit cap is.

3. Master policy carries \$75,000 water intrusion deductible after three prior claims

Critical | Insurance | Before closing | Stated (A) | Insurance Summary

If a water leak causes damage in this building, the HOA's insurance has a \$75,000 out-of-pocket cost before coverage kicks in, and that cost could be passed to you or spread among all owners. This building has already had three water-related insurance claims in recent years.

Financial impact: \$75,000 deductible exposure per water intrusion claim. The governing documents' allocation of this deductible between the association and individual unit owners must be confirmed. If assessed to all 96 units equally, the per-unit exposure per claim would be approximately \$781. If assessed to the affected unit owner, the exposure could be the full \$75,000 for that owner.

For attorney: Ask your attorney to identify exactly how the governing documents allocate the water intrusion deductible between the association and individual unit owners, and confirm whether the buyer's individual HO-6 policy can cover this exposure.

4. 2026 policy renewal excludes repeated seepage and mold remediation coverage

Critical | Insurance | Before closing | Stated (A) | Insurance Summary

The HOA's insurance no longer covers water seepage or mold damage, which are exactly the kinds of problems this building has already had. If it happens again, the full repair cost falls on the HOA and its owners with no insurance to help.

Financial impact: Mold remediation in a multi-unit building can range from tens of thousands to hundreds of thousands of dollars depending on scope (industry benchmark). With the exclusion now in place, any seepage or mold loss would be an uninsured association expense, likely funded through a special assessment or reserves. No specific dollar amount is stated in the documents for a hypothetical future loss.

For attorney and HOA management: Ask your attorney whether the CC&Rs require the association to maintain coverage for seepage and mold, and ask the HOA management company whether the board is seeking a supplemental or difference-in-conditions policy to fill this gap.

5. New lease approvals suspended due to owner-occupancy ratio concerns

Critical | Use Restriction | Before closing | Convention (C) | Leasing and Occupancy Restrictions

The HOA stopped approving new rentals because too many units were already rented, which worried mortgage lenders. If this ratio does not improve, you and future buyers may have difficulty getting a standard mortgage for this property.

Financial impact: If the community does not meet Fannie Mae or Freddie Mac owner-occupancy requirements (commonly 50% for established condominiums), buyers and future purchasers may be limited to portfolio loans or other non-agency financing, which typically carry higher interest rates and stricter terms (lending convention). On a \$340,000 purchase, a rate increase of even 0.5% could cost approximately \$3,400 or more per year in additional interest.

For attorney and HOA management: Ask your lender in writing to confirm whether this community currently passes their project review requirements, and ask the HOA management company for the current owner-occupancy ratio and whether the lease suspension has been formally extended or lifted.

6. Lenders requesting additional reserve documentation during underwriting

Critical | Financial | Before closing | Stated (A) | Board Meeting Highlights / April 2026

As recently as April 2026, two lenders required extra financial documentation before approving loans for units in this building. You should confirm with your own lender right now that they can actually approve a mortgage here before you go further in this purchase.

Financial impact: If conventional financing is unavailable, the buyer may be limited to portfolio or non-agency loan products, which commonly carry higher interest rates (lending convention). On a \$340,000 purchase, even a 0.75% rate premium could cost approximately \$5,100 or more per year. In an extreme scenario, the buyer may be unable to close on standard financing terms.

For attorney and HOA management: Ask your lender today whether they have reviewed this community for project approval, whether any conditions or exceptions are required, and whether they are aware of the April 2026 reserve documentation requests from other lenders.

7. Reserve study is five years stale with no updated analysis

Significant | Financial | Before closing | Convention (C) | Association Overview / Current Financial Position

The last financial health checkup for the building's major systems is five years old, and several systems have gotten worse since then. You cannot rely on it to know how much repair money the HOA actually needs right now.

Financial impact: The cost of commissioning a new reserve study typically ranges from \$3,000 to \$8,000 (industry benchmark), but the more significant risk is that the true funding shortfall may be substantially larger than the 2021 study reflects, given three documented deteriorating systems. Quantifying the gap requires an updated study.

For attorney and HOA management: Ask the HOA management company whether an updated reserve study has been commissioned,

and if not, request that the seller negotiate funding a new study as a condition of closing.

8. Board actively considering bank loan for parking repairs instead of special assessment

Significant | Financial | Before closing | Convention (C) | Board Meeting Highlights / March 2026

The board is considering having the HOA take out a bank loan to pay for parking repairs, which would be the HOA's debt but could still affect your ability to refinance or sell your unit in the future.

Financial impact: If the association borrows to fund the \$420,000 repair, the per-unit debt encumbrance in a 96-unit building would be approximately \$4,375 in principal (illustrative equal allocation). HOA-level debt is a factor lenders review during project approval for conventional financing, and some lenders restrict financing in communities with outstanding HOA loans (lending convention). No loan has been approved as of the March 2026 minutes.

For attorney and HOA management: Ask the HOA management company whether the board has approved or voted on an HOA loan since March 2026, and ask your attorney whether the governing documents require a unit owner vote before the association can incur long-term debt.

9. Insurance premiums increased 43% year-over-year indicating carrier distress

Significant | Insurance | Before closing | Derived (B) | Selected Budget Snapshot

The HOA's insurance bill went up by 43% in one year, which is a sign the insurance company sees this building as riskier to cover. This cost is already built into your monthly dues, and future increases could raise your dues further.

Financial impact: Stated 2025 premium: \$132,000. Stated 2026 premium: \$189,000. Year-over-year increase: \$57,000 (43.2%). In a 96-unit building, this increase represents approximately \$594 per unit annually in added insurance cost already embedded in the 2026 budget. If this trend continues, future dues increases are possible to cover rising premiums (insurance market pattern).

For HOA management: Request the full 2026 insurance declarations page and ask the HOA management company whether the insurer has indicated any conditions for 2027 renewal, including potential non-renewal.

10. 30% rental concentration cap and board approval required for all leases

Significant | Use Restriction | Before closing | Stated (A) | Leasing and Occupancy Restrictions

Only 30% of units in this building are allowed to be rented at any time, and you need HOA approval before renting yours. Right now there is a waiting list and no new rentals are being approved, so you should not plan on renting this unit anytime soon.

Financial impact: No direct immediate financial impact if the buyer intends to owner-occupy, but the restriction limits resale pool to non-investor buyers and reduces the property's appeal as an income-producing asset. With the current lease suspension in effect, there is no guarantee a new owner could enter the rental waitlist immediately.

For HOA management: Ask the HOA management company for the current number of units actively renting, the length of the waitlist, and the estimated wait time for a new owner to obtain lease approval under the current policy.

11. Balcony waterproofing and sliding door responsibility actively disputed

Significant | Maintenance | Before closing | Stated (A) | Maintenance Responsibility Matrix

Nobody has officially decided whether you or the HOA is responsible for maintaining the waterproofing on your balcony and your sliding door. Since this building has had water leak problems and the insurance now excludes those repairs, you could end up paying thousands of dollars out of pocket.

Financial impact: Balcony waterproofing membrane replacement for a single unit typically ranges from \$3,000 to \$12,000 depending on size and condition (industry benchmark). Sliding door assembly replacement adds \$2,000 to \$6,000 per unit (industry benchmark). With seepage now excluded from the master policy, the owner bearing responsibility absorbs the full uninsured cost.

For attorney: Ask your attorney to review the CC&Rs maintenance responsibility provisions and confirm in writing whether balcony

waterproofing membranes and sliding door assemblies are unit-owner or association responsibility, and whether any board resolution has attempted to clarify this since the 2024 leak events.

12. Elevator modernization required within 3-5 years with no dedicated funding

Significant | Financial | Before closing | Convention (C) | Pending Projects and Engineering Recommendations

Engineers say the building's elevators need a major upgrade within 3 to 5 years, which will be expensive, and the HOA has not set aside money for it. You may be asked to contribute thousands of dollars toward this project while you own this unit.

Financial impact: Elevator modernization for a mid-rise building commonly ranges from \$80,000 to \$200,000 per cab depending on age, configuration, and local labor costs (industry benchmark). The number of elevator cabs in this building is not stated in the provided documents. If two cabs are modernized at a midpoint cost of \$140,000 each, the illustrative total would be \$280,000. In a 96-unit building, an equal per-unit share would be approximately \$2,917. This is an illustrative scenario only and is contingent on scope, timing, and board decisions.

For HOA management: Request the 2025 engineering report and ask the HOA management company how many elevator cabs are in the building, whether any elevator vendor has provided a modernization proposal, and whether the board has set a target timeline or funding mechanism.

13. HVAC repair budget increased 55% year-over-year reflecting recurring system failures

Significant | Maintenance | Before closing | Derived (B) | Selected Budget Snapshot

The building's shared heating and cooling systems have been breaking down repeatedly, and the repair budget jumped by more than half in one year. This may be a sign that a much larger and more expensive replacement is coming.

Financial impact: Stated 2025 HVAC repair budget: \$44,000. Stated 2026 HVAC repair budget: \$68,000. Year-over-year increase: \$24,000 (54.5%). This is a recurring operating expense increase already embedded in 2026 dues. If rooftop HVAC unit replacement is ultimately required, commercial rooftop unit replacement commonly ranges from \$15,000 to \$40,000 per unit depending on capacity (industry benchmark); the number of units is not stated in the documents.

For HOA management: Request the 2025 engineering report's HVAC section and ask the HOA management company whether any rooftop HVAC units have been evaluated for replacement rather than ongoing repair, and what the expected remaining useful life is.

14. Concrete and garage repair budget increased 300% year-over-year

Significant | Financial | Before closing | Derived (B) | Selected Budget Snapshot

Even though the HOA set aside more money for parking repairs this year, the amount budgeted is only a fraction of what engineers say the work will actually cost. The remaining gap will likely need to come from owners through a special payment.

Financial impact: Stated 2026 budget for concrete and garage repairs: \$72,000. Stated engineering estimate for parking structure repairs: \$420,000 minimum. Budget shortfall against engineering estimate: \$348,000. In a 96-unit building, an illustrative equal per-unit allocation of the \$348,000 gap would be approximately \$3,625. This is an illustrative scenario only; actual allocation depends on board decisions, financing, and governing-document authority.

For attorney and HOA management: Ask the HOA management company whether the board has approved any portion of the \$420,000 parking repair scope, and ask your attorney to confirm the governing documents' special assessment authority and any owner-vote requirements for assessments of this magnitude.

15. Reserve contributions increased only minimally despite engineering-identified capital needs

Significant | Financial | Before closing | Derived (B) | Selected Budget Snapshot / Board Meeting Highlights

The board only slightly increased the amount it saves for future repairs, even though management said it needed to save much more. At this rate, the HOA will not have enough money to pay for known upcoming repairs without asking owners to chip in extra.

Financial impact: Stated 2025 reserve contribution: \$108,000. Stated 2026 reserve contribution: \$112,000. Increase: \$4,000 (3.7%). At the current reserve balance of \$278,440 and a contribution rate of \$112,000 per year, and excluding any capital expenditures, reaching the \$420,000 parking repair cost alone would take approximately 1.3 years of contributions with zero other spending. With identified needs in elevators and HVAC as well, the current contribution rate is insufficient to address near-term capital needs without special assessments or borrowing.

For attorney and HOA management: Ask the HOA management company what reserve contribution level management recommended for 2026, and ask your attorney whether Georgia law or the governing documents impose any minimum reserve funding requirements on the board.

16. Drainage grading deficiencies near Building 2 identified but unresolved

Significant | Maintenance | Before closing | Stated (A) | Pending Projects and Engineering Recommendations

Engineers identified a drainage problem near one of the buildings that is likely contributing to the water leaks the building has already experienced, and it has not been fixed. Since the HOA's insurance no longer covers this type of damage, a future leak from this cause would have no insurance protection.

Financial impact: Drainage regrading costs vary widely by scope, but minor grading corrections around a building typically range from \$5,000 to \$30,000 (industry benchmark). The more significant exposure is the uninsured downstream risk: with seepage now excluded from the master policy, future water intrusion from this known deficiency would be an uninsured loss. Combined with the \$75,000 water intrusion deductible and the balcony responsibility dispute, the total uninsured exposure is not directly quantifiable from the available documents.

For HOA management: Ask the HOA management company whether the board has obtained a contractor estimate for the drainage grading work, whether it is included in the 2026 budget, and whether the association's insurer has been notified that the deficiency remains unresolved.

17. Short-term rentals under 30 days prohibited

Significant | Use Restriction | Before closing | Stated (A) | Rules and Enforcement

You cannot use this unit for Airbnb, VRBO, or any rental shorter than 30 days. Combined with the other rental restrictions already in place, this unit should be treated as a home you live in, not a property you can rent out.

Financial impact: No direct financial impact if the buyer intends to owner-occupy. For a buyer considering rental income, the combined restrictions (no short-term rentals, 30% cap, board approval, active suspension) make this unit effectively non-rentable in the near term. This limits resale pool and removes income-generating potential.

For attorney: Ask your attorney to confirm that the short-term rental prohibition in the rules is consistent with the CC&Rs, and confirm that the prohibition applies to all owners including those who purchased before the rule was adopted.

18. Unit owner delinquency includes one account in attorney collection at \$7,420

Moderate | Financial | Within 30 days | Derived (B) | Sample Delinquency Snapshot

A few unit owners owe money to the HOA, and one account has been sent to a lawyer for collection. This is not a crisis, but in a building that already needs more money for repairs, unpaid dues make the situation a little worse for everyone.

Financial impact: Total stated delinquent balance: \$12,518 (\$3,118 plus \$1,980 plus \$7,420). As a percentage of the stated 2026 reserve contribution of \$112,000, this represents approximately 11.2% of one year of reserve contributions. In a community already

underfunded, this shortfall adds to the gap between actual and needed reserves, though it is not individually deal-breaking.

For HOA management: Ask the HOA management company for the full current delinquency report and confirm whether any delinquent accounts have liens filed against them, which would affect the association's ability to collect and its overall financial position.

19. Single HVAC vendor monopoly with no competitive bidding on common systems

Moderate | Governance | First year | Stated (A) | Vendor and Operational Notes

The HOA uses only one company for heating and cooling repairs and has not compared prices with other vendors, even though this costs the community tens of thousands of dollars per year. This means owners may be paying more than necessary for these services.

Financial impact: Not directly quantifiable from available documents. Competitive bidding for a \$68,000 annual contract could potentially reduce costs by 10-25% depending on market conditions (market convention), representing a possible savings of \$6,800 to \$17,000 annually if alternative vendors are engaged.

For attorney and HOA management: Ask the HOA management company whether the board has directed management to seek competitive bids for the 2027 HVAC maintenance contract, and ask your attorney whether the governing documents require competitive bidding for contracts above a certain dollar threshold.

20. EV charging installation requires engineering review and additional insurance

Moderate | Use Restriction | First year | Stated (A) | Rules and Enforcement

If you want to install an electric vehicle charger, you will need to get engineering approval and buy extra insurance first. It is more complicated than in many other buildings, but it is not impossible.

Financial impact: No direct financial impact at closing. If EV charging installation is desired, engineering review and additional insurance add cost and time to the process. Engineering reviews for EV installations in condominiums commonly range from \$500 to \$2,500 (industry benchmark). Additional insurance riders for EV charging equipment are generally available but add an ongoing premium.

For HOA management: Ask the HOA management company for the specific written process and timeline for EV charging approval, including who conducts the engineering review, what insurance coverage amount is required, and whether any owners have successfully installed EV charging under this process.

Cross-Document Tensions

1. The CC&Rs grant the board authority to levy special assessments, and the governing documents provide the framework for reserve funding obligations. However, the 2026 budget (a separate document) shows reserve contributions increased by only \$4,000 despite a 2025 engineering report identifying capital needs that could exceed \$700,000 in aggregate across parking, elevator, and HVAC systems. The budget reflects no dedicated funding line for any of these projects. The board meeting minutes from March 2026 show the parking structure discussed as a near-term priority, yet the same minutes reflect no resolution or funding commitment. Reading across these three document types, the board appears to be deferring formal action despite documented urgency, which means the authority to assess exists but the funding pathway remains unresolved, leaving owners exposed to a future assessment of uncertain size and timing.

Documents: cc_and_rs, budget, meeting_minutes

2. The rules and regulations state that leasing is capped at 30% of total units and requires board approval. The meeting minutes from August 2025 reflect the board suspending new lease approvals entirely due to lender concerns about the owner-occupancy ratio. These two documents together reveal that even the board-approval pathway for leasing is currently closed, meaning the rules-and-regs framework that nominally permits leasing up to the cap is functionally inoperative. A buyer reviewing only the CC&Rs or rules would see a leasing pathway; a buyer reading the minutes would discover that pathway is suspended.

Documents: rules_and_regs, meeting_minutes

3. The CC&Rs and rules contain a maintenance responsibility matrix that has not resolved whether balcony waterproofing membranes and sliding door assemblies are the association's or the unit owner's responsibility. The insurance summary (a separate document) discloses that the 2026 policy now excludes repeated seepage and mold remediation. Reading these together, the party ultimately assigned responsibility for this unresolved maintenance boundary will bear the cost of future losses in a category that is now entirely uninsured. The governing documents do not resolve this question, and the insurance documents confirm there is no coverage backstop while the dispute continues.

Documents: cc_and_rs, other

Jurisdiction-Specific Notes

Georgia homeowners associations and condominium regimes are governed by the Georgia Property Owners' Association Act and the Georgia Condominium Act, respectively. Findings f_003 and f_004 involve the board's authority to levy special assessments and incur association debt, which the buyer's attorney should verify against the applicable statute and the governing documents. Finding f_009 involves leasing restrictions and board approval requirements, which the buyer's attorney should review for consistency with current Georgia law. The buyer's attorney should verify these provisions against current state law.

Follow-Up Questions Summary

Questions for buyer's attorney:

- Request the full 2021 reserve study and the November 2025 board meeting minutes, then ask your lender in writing whether this community currently meets their project approval requirements given the 61% reserve funding level.
- Ask the HOA management company for the board's current timeline and funding mechanism for the parking structure repairs, and ask your attorney to review whether the governing documents allow the board to levy a special assessment without a unit owner vote and what the per-unit cap is.
- Ask your attorney to identify exactly how the governing documents allocate the water intrusion deductible between the association and individual unit owners, and confirm whether the buyer's individual HO-6 policy can cover this exposure.
- Ask your attorney whether the CC&Rs require the association to maintain coverage for seepage and mold, and ask the HOA management company whether the board is seeking a supplemental or difference-in-conditions policy to fill this gap.
- Ask your lender in writing to confirm whether this community currently passes their project review requirements, and ask the HOA management company for the current owner-occupancy ratio and whether the lease suspension has been formally extended or lifted.
- Ask your lender today whether they have reviewed this community for project approval, whether any conditions or exceptions are required, and whether they are aware of the April 2026 reserve documentation requests from other lenders.
- Ask the HOA management company whether an updated reserve study has been commissioned, and if not, request that the seller negotiate funding a new study as a condition of closing.
- Ask the HOA management company whether the board has approved or voted on an HOA loan since March 2026, and ask your attorney whether the governing documents require a unit owner vote before the association can incur long-term debt.
- Ask your attorney to review the CC&Rs maintenance responsibility provisions and confirm in writing whether balcony waterproofing membranes and sliding door assemblies are unit-owner or association responsibility, and whether any board resolution has attempted to clarify this since the 2024 leak events.
- Ask the HOA management company whether the board has approved any portion of the \$420,000 parking repair scope, and ask your attorney to confirm the governing documents' special assessment authority and any owner-vote requirements for assessments of this magnitude.
- Ask the HOA management company what reserve contribution level management recommended for 2026, and ask your attorney whether Georgia law or the governing documents impose any minimum reserve funding requirements on the board.
- Ask your attorney to confirm that the short-term rental prohibition in the rules is consistent with the CC&Rs, and confirm that the prohibition applies to all owners including those who purchased before the rule was adopted.
- Ask the HOA management company whether the board has directed management to seek competitive bids for the 2027 HVAC maintenance contract, and ask your attorney whether the governing documents require competitive bidding for contracts above a certain dollar threshold.

Questions for HOA management company:

- Request the full 2021 reserve study and the November 2025 board meeting minutes, then ask your lender in writing whether this community currently meets their project approval requirements given the 61% reserve funding level.
- Ask the HOA management company for the board's current timeline and funding mechanism for the parking structure repairs, and ask your attorney to review whether the governing documents allow the board to levy a special assessment without a unit owner vote and what the per-unit cap is.
- Ask your attorney whether the CC&Rs require the association to maintain coverage for seepage and mold, and ask the HOA management company whether the board is seeking a supplemental or difference-in-conditions policy to fill this gap.

- Ask your lender in writing to confirm whether this community currently passes their project review requirements, and ask the HOA management company for the current owner-occupancy ratio and whether the lease suspension has been formally extended or lifted.
- Ask your lender today whether they have reviewed this community for project approval, whether any conditions or exceptions are required, and whether they are aware of the April 2026 reserve documentation requests from other lenders.
- Ask the HOA management company whether an updated reserve study has been commissioned, and if not, request that the seller negotiate funding a new study as a condition of closing.
- Ask the HOA management company whether the board has approved or voted on an HOA loan since March 2026, and ask your attorney whether the governing documents require a unit owner vote before the association can incur long-term debt.
- Request the full 2026 insurance declarations page and ask the HOA management company whether the insurer has indicated any conditions for 2027 renewal, including potential non-renewal.
- Ask the HOA management company for the current number of units actively renting, the length of the waitlist, and the estimated wait time for a new owner to obtain lease approval under the current policy.
- Request the 2025 engineering report and ask the HOA management company how many elevator cabs are in the building, whether any elevator vendor has provided a modernization proposal, and whether the board has set a target timeline or funding mechanism.
- Request the 2025 engineering report's HVAC section and ask the HOA management company whether any rooftop HVAC units have been evaluated for replacement rather than ongoing repair, and what the expected remaining useful life is.
- Ask the HOA management company whether the board has approved any portion of the \$420,000 parking repair scope, and ask your attorney to confirm the governing documents' special assessment authority and any owner-vote requirements for assessments of this magnitude.
- Ask the HOA management company what reserve contribution level management recommended for 2026, and ask your attorney whether Georgia law or the governing documents impose any minimum reserve funding requirements on the board.
- Ask the HOA management company whether the board has obtained a contractor estimate for the drainage grading work, whether it is included in the 2026 budget, and whether the association's insurer has been notified that the deficiency remains unresolved.
- Ask the HOA management company for the full current delinquency report and confirm whether any delinquent accounts have liens filed against them, which would affect the association's ability to collect and its overall financial position.
- Ask the HOA management company whether the board has directed management to seek competitive bids for the 2027 HVAC maintenance contract, and ask your attorney whether the governing documents require competitive bidding for contracts above a certain dollar threshold.
- Ask the HOA management company for the specific written process and timeline for EV charging approval, including who conducts the engineering review, what insurance coverage amount is required, and whether any owners have successfully installed EV charging under this process.