HOA Litigation and Potential Special Assessment Disclosure

The condominium association is currently involved in litigation initiated by a unit owner. Due to the association's limited reserve funds, a Special Assessment has been proposed as a potential means of funding a possible settlement of the litigation. The litigation remains pending, and neither a settlement nor a Special Assessment has been finalized or approved. The outcome of the litigation and the terms, amount, timing, and approval of any proposed Special Assessment remain uncertain.

The Seller/Owner shall be responsible for credit to Buyer of six (6) months of HOA dues *and for the payment of litigation-related Special Assessment, if and when imposed, subject to the terms of the purchase agreement and applicable law*.

Buyers are encouraged to review the association's financial statements, meeting minutes, litigation disclosures, and other relevant HOA documents when in escrow to understand the association's financial condition and the potential implications of the pending litigation.