



Ohio Revised Code

Section 5311.26 Written statement of material circumstances or features affecting condominium development.

Effective: July 20, 2004

Legislation: House Bill 135 - 125th General Assembly

Except as provided in section 5311.24 of the Revised Code, no developer or agent, directly or indirectly, shall sell or offer to sell a condominium ownership interest in a residential or water slip condominium development unless the developer or agent provides the prospective purchaser a condominium development disclosure statement that discloses fully and accurately all material circumstances or features affecting the development in a readable and understandable written statement. The statement shall not intentionally omit any material fact or contain any untrue statement of a material fact and shall contain all of the following:

- (A) The name and address of the condominium development, and the name, address, and telephone number of the developer and of the development manager if other than the developer, or that manager's agent;
- (B) A general narrative description of the development stating the total number of units, a description of the types of units, the total number of units that may be included in the development by reason of future expansion or merger of the development, and a precise statement of the nature of the condominium ownership interest that is being offered;
- (C) A general disclosure of the following:
 - (1) The status of construction, zoning, site plan, or other governmental approvals;
 - (2) Compliance or notice of failure to comply with any federal, state, or local statutes or regulations affecting the development;
 - (3) The actual or scheduled dates of completion of any buildings, recreation facilities, and other common elements;



(4) Whether the developer is required to construct recreational facilities or other common elements;

(D) The significant terms of any financing offered by or through the developer to purchasers of the condominium ownership interests in the development, including the name of any bank or other institution involved in the financing, the minimum down payment, a statement that the prospective purchaser may obtain financing from another bank or institution, and the annual interest rate;

(E) A description of warranties for structural elements and mechanical and other systems, stated separately for units and for common elements;

(F) A two-year projection, revised and updated within the past year if changed, unless the developer no longer controls the association, of annual expenditures necessary to operate and maintain the common elements of the condominium development and the cost of any mandatory dues and membership in a not-for-profit organization described in division (B)(9) of section 5311.05 of the Revised Code. The projection shall be prepared by the developer, specifically state the assumptions and bases of the projection, and include a complete statement of the estimated monthly cost per unit for the two-year period, including all of the following:

(1) The formula for determining each unit's share of common expenses;

(2) The amount of insurance and a description of the basis or formula used in arriving at that amount;

(3) The dollar amount of operating and maintenance expenses;

(4) The monthly cost of utilities;

(5) Any other costs, fees, and assessments reasonably ascertainable by the developer.

(G) For a conversion condominium development, the offering price of each unsold unit or type of unsold unit and a report by the developer stating the age, the condition, and the developer's opinion of the remaining useful life of structural elements and mechanical and supporting systems, together with the developer's estimate of repair and replacement costs projected for five years from the date



the property is submitted to the provisions of this chapter. The report shall be based on facts reasonably ascertainable by the developer through inspection of relevant drawings and records and, to the extent permitted by the physical limits of the site, by personal inspection of the elements and systems. Any limits on the inspection shall be stated in the report.

(H) A statement of significant provisions for management of the condominium development, including all of the following:

(1) Conditions for the formation of a unit owners association;

(2) The apportionment of voting rights among the members of the unit owners association;

(3) The contractual rights and responsibilities of the unit owners association;

(4) A statement advising the purchaser that the condominium instruments are binding legal documents and describing how those instruments may be altered or amended by the unit owners association.

(I) A facsimile of any management contract or other agreement affecting the operation, use, or maintenance of or access to all or any part of the condominium development, with a brief narrative statement of the effect of each agreement upon a purchaser, including a specification of the services to be rendered and the charges to be made under it, and a statement of the relationship, if any, between the developer and the managing agent;

(J) A statement in conspicuous boldface type of the purchaser's right to review the condominium instruments, the purchaser's right to void the contract, any conditions for the return of a deposit, and the rights of purchasers under section 5311.27 of the Revised Code;

(K) The existence or requirement for the establishment of a reserve fund to finance the cost of repair or replacement of the components of the common elements;

(L) The significant terms of any encumbrances, easements, liens, and matters of title affecting the condominium development;



(M) A statement of the requirement for escrow of deposits and the right of the developer to use all or any part of these;

(N) A statement of any restraints on the free alienability of all or any part of the condominium development;

(O) A statement describing any present litigation concerning the condominium development.