



CONDOS, PUD'S & TOWNHOMES

How Their Differences Affect Title Transactions

California Title Company must request CC&R's and Bylaws at the opening of every transaction involving Condominiums and PUD's so that the parties involved, escrows, homebuyers and lenders can receive a copy in time to review prior to close of escrow. CC&R's will be reflected as coverage exceptions in the preliminary report and title policy. CC&R's and Bylaws are the rules and regulations of the community.

Buyers should be aware that CC&R's and Bylaws may be written so as to restrict not only property use, but also to restrict owners' lifestyles, for instance, spelling out hours during which entertainment, such as parties, may be hosted. **CC&R's and Bylaws are highly important and should be thoroughly examined and understood prior to purchase.**

CONDOMINIUMS & PUD'S *Common Characteristics*

1. Common ownership of private residential property;
2. Mandatory membership of all owners in an association which controls use of the common property;
3. Governing documents which establish the procedures for governing the association, the rules which the owners must follow in the use of their individual lots or units as well as the common properties; and a means by which owners are assessed to finance the operation of the association and maintenance of the common properties.

CONDOMINIUMS & PUD'S *Differences*

The owner(s) of a unit within a typical Condominium project owns 100% of the unit, as defined by a recorded Condominium Plan. As well, they will own fractional or percentage interest in all common areas of the Condominium project.

The major difference between a Condominium and a PUD is that the owner of a unit within a PUD also owns the lot under the unit which has been conveyed to them as shown in the recorded Tract Map or Parcel Map-and the structure and improvements thereon. In addition, they receive rights and easements to use in common areas owned by another-frequently a homeowner's association-of which the individual lot owners are members. The above are basic descriptions and should not be considered legal definitions.

TOWNHOMES

The terms Condominium and PUD refer to types of interests in land, not to physical styles of dwellings. Though the townhouse is the most common style of structure found in common interest developments in California, a townhouse might legally be a Condominium, a unit or lot in a Planned Development, or a single-family detached residence.

Customer Service cs@caltitle.com | 844.5442752

Los Angeles 100 N. First Street, Suite 404 | Burbank | 818-382-9889

Orange County 28202 Cabot Road, Suite 625 | Laguna Niguel | 949-582-8709

San Diego 2365 Northside Drive, Suite 250 | San Diego | 619-516-5227



Protecting Your Property Rights



WWW.CALTITLE.COM

The information contained herein is deemed to be reliable, but it is not guaranteed. California Title Company assumes no responsibility for errors or omissions. Images may be subject to copyright. ©2016 California Title Company.