

Common Interest Community Board
VIRGINIA PROPERTY OWNERS' ASSOCIATION DISCLOSURE PACKET NOTICE

The lot being purchased is in a development subject to the Virginia Property Owners' Association Act. Properties subject to the Act are considered "common interest communities" under the law. Upon accepting title to a lot within a common interest community, the purchaser's membership in the property owners' association (association) is mandatory and automatic.

Ownership in a common interest community carries with it certain benefits, rights, and responsibilities. Benefits may include the right to use common areas, which may include swimming pools, parks, playgrounds and other recreational facilities. Owners have rights to participate in governance of the community through the association. Owners have the responsibility, among other things, to comply with the restrictive covenants and rules that outline what owners may and may not be permitted to do on their lots. In order to finance the operation of the association, each owner is responsible for and obligated to pay periodic assessments, and if necessary, special assessments to ensure that the association's financial requirements are met.

Use of common areas, financial obligations of owners and other rights, responsibilities and benefits associated with ownership in a common interest community are subject to the provisions of governing documents that typically include a declaration, articles of incorporation, bylaws and rules and regulations. The governing documents may contain covenants that control what an owner may or may not do on the lots and common area. Some decisions are made by the association board of directors, while other decisions are reserved to a vote of association members.

Failure to comply with the governing documents may result in monetary penalties, suspension of certain privileges and legal action taken against the lot owner. Failure to pay assessments and/or mandatory fees may result in the association filing a lien and/or lawsuit against the lot owner, foreclosing the lien, and other actions permitted by the governing documents and the Property Owners' Association Act.

Governing documents and other information contained in the disclosure packet describe the basis for living in a common interest community. These documents and information are important and should be reviewed carefully prior to purchase. Pursuant to § 55-509.4 of the Code of Virginia:

- The contract to purchase a lot shall disclose that the lot is located in a common interest community governed by an association.
- The contract to purchase a lot in a common interest community governed by an association is a legally binding document.
- The purchaser may have the right to cancel the contract after receiving the disclosure packet.
- The purchaser may request an update of the disclosure packet.

The Association Disclosure Packet must include the following:

- Association name, and if incorporated, the state of incorporation and the name and address of its registered agent in Virginia;
- A statement of any expenditures of funds approved by the association or the board of directors that shall require an assessment in addition to the regular assessment during the current year or the immediately succeeding fiscal year;
- A statement, including the amount of all assessments and any other mandatory fees or charges currently imposed by the association, together with any post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition, and maintenance of the lot and to the right of use of common areas, and the status of the account
- A statement of whether there is any other entity or facility to which the lot owner may be liable for fees or charges;
- The current reserve study report or summary thereof, a statement of the status and amount of any reserve or replacement fund, and any portion of the fund allocated by the board of directors for a specified project;
- A copy of the association's current budget or a summary thereof prepared by the association, and a copy of its statement of income and expenses or statement of its financial position (balance sheet) for the last fiscal year for which such statement is available, including a statement of the balance due of any outstanding loans of the association;
- A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party and that either could or would have a material impact on the association or its members or that relates to the lot being purchased;
- A statement setting forth what insurance coverage provided is for all lot owners by the association, including the fidelity bond maintained by the association, and what additional insurance would normally be secured by each individual lot owner;
- A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto, are or are not in violation of any of the declaration, bylaws, rules and regulations, architectural guidelines and articles of incorporation, if any, of the association;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including but not limited to reasonable restrictions as to the size, place, and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;
- A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to install or use solar energy collection devices on the owner's property;
- A statement indicating any known project approvals currently in effect by secondary mortgage market agencies;
- Certification that the association has filed with the Common Interest Community Board the annual report required by §55-516.1 which certification shall indicate the filing number assigned by the Common Interest Community Board, and the expiration date of such filing;
- The current declaration, the association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the association;
- The notice given to the lot owner by the association of any current or pending rule or architectural violation;
- Any approved minutes of the board of directors and association meetings for the six calendar months preceding the request for the disclosure packet; and
- The association complaint procedure required by 18 VAC 48-70-60 and pursuant to 18 VAC 48-70-40 and 18 VAC 48-70-50.