

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
PERIMETER CENTER
9960 MAYLAND DRIVE
RICHMOND, VIRGINIA 23233**

COMMON INTEREST COMMUNITY BOARD

Tentative **AGENDA**

**TUESDAY, April 25, 10:00 A.M.
2nd FLOOR, BOARD ROOM 4**

I. CALL TO ORDER

II. EMERGENCY EVACUATION PROCEDURES

III. APPROVAL OF AGENDA

- a. Board Agenda, April 25, 2023

IV. PUBLIC COMMENT PERIOD*

V. BOARD BUSINESS

- a. HB 1627 and SB 1042
1. Consider Exempt Action to Amend Common Interest Community Ombudsman Regulations (18VAC48-70)
- b. HB 1955 and SB 969
1. Consider Exempt Action to Amend Time-Share Regulations (18VAC48-45)
- c. Resale Disclosure Act (HB 2235/SB 1222)
1. Consider Exempt Action to Amend Common Interest Community Manager Regulations (18VAC48-50), Common Interest Community Association Registration Regulations (18VAC48-60), and Common Interest Community Ombudsman Regulations (18VAC48-70)
 2. Consider and Adopt Standardized Resale Certificate Form

VI. OTHER BUSINESS

VII. COMPLETE CONFLICT OF INTEREST FORMS AND TRAVEL VOUCHERS

VIII. ADJOURN

NEXT MEETING SCHEDULED FOR June 8, 2023, at 10:00 A.M.

* Five minute public comment, per person, with the exception of any open disciplinary or application files.

** Agenda materials made available to the public do not include disciplinary case files or application files pursuant to §54.1-108 of the *Code of Virginia*.

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-8510 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

PERIMETER CENTER CONFERENCE CENTER
EMERGENCY EVACUATION OF BOARD AND TRAINING ROOMS
(Script to be read at the beginning of each meeting.)

PLEASE LISTEN TO THE FOLLOWING INSTRUCTIONS ABOUT EXITING THE PREMISES IN THE EVENT OF AN EMERGENCY.

In the event of a fire or other emergency requiring the evacuation of the building, alarms will sound. When the alarms sound, leave the room immediately. Follow any instructions given by Security staff

Board Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Room 2

Exit the room using one of the doors at the back of the room. (Point) Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

You may also exit the room using the side door, turn **Right** out the door and make an immediate **Left**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Rooms 3 and 4

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 2

Exit the room using one of the doors at the back of the room. Upon exiting the doors, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

PUBLIC COMMENT PERIOD

Five minute public comment, per person, with the exception of any open disciplinary or application files.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as a question or official Board decision.
DRAFT AGENDA

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 20

An Act to amend and reenact §§ 54.1-2354.3 and 54.1-2354.4 of the Code of Virginia, relating to the Common Interest Community Board; enforcement power over continuing violations of common interest community associations.

[H 1627]

Approved March 16, 2023

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2354.3 and 54.1-2354.4 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-2354.3. Common Interest Community Ombudsman; appointment; powers and duties.

A. The Director in accordance with § 54.1-303 shall appoint a Common Interest Community Ombudsman (the Ombudsman) and shall establish the Office of the Common Interest Community Ombudsman (the Office). The Ombudsman shall be a member in good standing in the Virginia State Bar. All state agencies shall assist and cooperate with the Office in the performance of its duties under this article.

B. The Office shall:

1. Assist members in understanding rights and the processes available to them according to the laws and regulations governing common interest communities and respond to general inquiries;

2. Make available, either separately or through an existing website, information concerning common interest communities and such additional information as may be deemed appropriate;

3. Receive notices of final adverse decisions *and may either (i) refer such decision to the Board for further review of whether such decision is in conflict with laws or Board regulations governing common interest communities or interpretations thereof by the Board or (ii) make a determination of whether a final adverse decision is in conflict with laws or Board regulations governing common interest communities or interpretations thereof by the Board and promptly notify the complainant of such determination. If the Office determines that such conflict exists, the Office shall promptly notify the governing board, and if applicable the common interest community manager, of the association that issued the final adverse decision that such decision is in conflict with laws or Board regulations governing common interest communities or interpretations thereof by the Board. If within 365 days of issuing such determination the Ombudsman receives a subsequent notice of final adverse decision for the same violation, the Office shall refer the matter to the Board;*

4. Upon request, assist members in understanding the rights and processes available under the laws and regulations governing common interest communities and provide referrals to public and private agencies offering alternative dispute resolution services, with a goal of reducing and resolving conflicts among associations and their members;

5. Ensure that members have access to the services provided through the Office and that the members receive timely responses from the representatives of the Office to the inquiries;

6. Maintain data on inquiries received, *referrals made to the Board*, types of assistance requested, notices of final adverse decisions received, actions taken, and the disposition of each such matter;

7. Upon request to the Director by (i) any of the standing committees of the General Assembly having jurisdiction over common interest communities or (ii) the Housing Commission, provide to the Director for dissemination to the requesting parties assessments of proposed and existing common interest community laws and other studies of common interest community issues;

8. Monitor changes in federal and state laws relating to common interest communities;

9. Provide information to the Director that will permit the Director to report annually on the activities of the Office of the Common Interest Community Ombudsman to the standing committees of the General Assembly having jurisdiction over common interest communities and to the Housing Commission. The Director's report shall be filed by December 1 of each year and shall include a summary of significant new developments in federal and state laws relating to common interest communities each year; and

10. Carry out activities as the Board determines to be appropriate.

§ 54.1-2354.4. Association complaint procedures; final adverse decisions.

A. The Board shall establish by regulation a requirement that each association shall establish reasonable procedures for the resolution of written complaints from the members of the association and other citizens. Each association shall adhere to the written procedures established pursuant to this subsection when resolving association member and citizen complaints. The procedures shall include the following:

1. A record of each complaint shall be maintained for no less than one year after the association acts

upon the complaint.

2. Such association shall provide complaint forms or written procedures to be given to persons who wish to register written complaints. The forms or procedures shall include the address and telephone number of the association or its common interest community manager to which complaints shall be directed and the mailing address, telephone number, and electronic mailing address of the Office. The forms and written procedures shall include a clear and understandable description of the complainant's right to give notice of adverse decisions pursuant to this section.

B. A complainant may give notice to the ~~Board~~ *Ombudsman* of any final adverse decision in accordance with regulations promulgated by the Board. The notice shall be filed within 30 days of the final adverse decision, shall be in writing on forms prescribed by the Board, shall include copies of all records pertinent to the decision, and shall be accompanied by a \$25 filing fee. The fee shall be collected by the Director and paid directly into the state treasury and credited to the Common Interest Community Management Information Fund pursuant to § 54.1-2354.2. The Board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the member. The ~~Director~~ *Ombudsman* shall provide a copy of the written notice to the *governing board, and if applicable the common interest community manager, of the association that made the final adverse decision.*

C. The Director or his designee may request additional information concerning any notice of final adverse decision from the association that made the final adverse decision. The association shall provide such information to the Director within a reasonable time upon request. If the Director upon review determines that the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board, the Director ~~may, in his sole discretion,~~ *shall provide the complainant and the governing board, and if applicable the common interest community manager, of the association with information concerning such laws or regulations governing common interest communities or interpretations thereof by the Board. The determination of whether the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board shall be a matter within the sole discretion of the Director, whose decision is final and not subject to further review. The determination of the Director shall not be binding upon the complainant or the association that made the final adverse decision. If within 365 days of issuing a determination that an adverse decision is in conflict with laws or Board regulations governing common interest communities or interpretations thereof by the Board the Director receives a subsequent notice of final adverse decision for the same violation, the Director shall refer the repeat violation to the Board, which shall take action in accordance with § 54.1-2351 or 54.1-2352, as deemed appropriate by the Board.*

1 **Common Interest Community Board**

2 **CIC Ombudsman Regulations - HB 1627/SB 1042 Amendments**

3 **18VAC48-70-105. Receipt of notice of final adverse decision.**

4 In accordance with subdivision B 3 of § 54.1-2354.3 of the Code of Virginia, upon receipt of
5 a notice of final adverse decision, the Office of the Common Interest Community Ombudsman
6 may either (i) refer such adverse decision to the board for further review of whether such
7 adverse decision is in conflict with the laws or board regulations governing common interest
8 communities or interpretations thereof by the board; or (ii) review such adverse decision in
9 accordance with the requirements of this part.

10 **18VAC48-70-110. Review of final adverse decision.**

11 Upon receipt of the notice of final adverse decision from the complainant, along with the
12 filing fee or a board-approved waiver of filing fee, the Office of the Common Interest Community
13 Ombudsman shall provide written acknowledgment of receipt of the notice to the complainant
14 and shall provide a copy of the written notice to the governing board, and, if applicable, the
15 common interest community manager of association that made the final adverse decision. The
16 notice of adverse decision will not be reviewed until the filing fee has been received or a waiver
17 of filing fee has been granted by the board.

18 In accordance with § 54.1-2354.4 C of the Code of Virginia, additional information may be
19 requested from the association that made the final adverse decision. Upon request, the
20 association shall provide such information to the Office of the Common Interest Community
21 Ombudsman within a reasonable time.

22 **18VAC48-70-120. Decision from the notice of final adverse decision.**

23 A. Upon review of the notice of final adverse decision in accordance with § 54.1-2354.4 C of
24 the Code of Virginia, if the director determines that the final adverse decision may be in conflict
25 with laws or regulations governing common interest communities or interpretations thereof by
26 the board, the director ~~may, in his sole discretion,~~ must provide the complainant and the
27 governing board, and, if applicable, the common interest community manager of the association
28 with information concerning such laws or regulations governing common interest communities
29 or interpretations thereof by the board.

30 B. The determination of whether the final adverse decision may be in conflict with laws or
31 regulations governing common interest communities or interpretations thereof by the board ~~shall~~
32 ~~be a matter within the sole discretion of the director. Such decision~~ is final and not subject to
33 further review. ~~The determination of the director shall not be binding upon the complainant or~~
34 ~~the association that made the final adverse decision.~~

35 C. In accordance with § 54.1-2354.4 C of the Code of Virginia, if within 365 days of issuing a
36 determination that an adverse decision is in conflict with laws or board regulations governing
37 common interest common interest communities or interpretations thereof by the board, the
38 director receives a subsequent notice of final adverse decision for the same violation by the
39 association, the director must refer the repeat violation to the board, which must take action in
40 accordance with §§ 54.1-2351 or 54.1-2352, as deemed appropriate by the board.

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 52

An Act to amend and reenact §§ 55.1-2208 and 55.1-2217 of the Code of Virginia, relating to Virginia Real Estate Time-Share Act; alternative purchases.

[H 1955]

Approved March 21, 2023

Be it enacted by the General Assembly of Virginia:

1. That §§ 55.1-2208 and 55.1-2217 of the Code of Virginia are amended and reenacted as follows: § 55.1-2208. Instruments.

A. In order to create a time-share program for a time-share estate project, the developer shall execute a time-share instrument prepared and executed in accordance with this chapter and record it in the clerk's office where such time-share project is located. The time-share instrument shall contain the following:

1. The name of the time-share project, which shall include or be followed by a qualifying adjective or term outlined in § 55.1-2205;
2. The name of the locality and the state or situs in which the time-share project is situated;
3. The legal description, street address, or other description sufficient to identify the time-share project;
4. A legally sufficient description of the real estate constituting the time-share project;
5. A statement of the form of time-share program, i.e., whether it is a time-share estate or time-share use;
6. Identification of time periods by letter, name, number, or combination thereof;
7. Identification of time-shares and, where applicable, the method by which additional time-shares may be created or withdrawn;
8. The formula, fraction, or percentage of the common expenses and any voting rights assigned to each time-share;
9. Any restrictions on the use, occupancy, enjoyment, alteration, or alienation of time-shares;
10. The ownership interest, if any, in personal property available to time-share owners;
11. The program by which the managing entity, if any, will provide management of the project;
12. The period for which units are designated and committed to the time-share program and the property classification of the units at the expiration of such period;
13. Any provision for amending the time-share instrument;
14. A description of the events, including condemnation and damage or destruction, upon which the time-share program may or shall be terminated before the expiration of its full term and the consequences of such termination, including the manner in which the time-share project or the proceeds from the disposition of such project shall be held or distributed among owners;
15. A statement of whether or not the developer reserves the right to add to or delete any incidental benefit; *and*
16. ~~A statement of whether or not the developer reserves the right to add to or delete any alternative purchase; and~~
17. Such other matters as the developer deems appropriate.

B. In order to create a time-share program for a time-share use project, the developer shall (i) execute and record a time-share instrument as required by subsection A or (ii) execute a time-share instrument that takes the form of and is a part of the contract that contains the information required by subsection A.

C. If the developer explicitly reserves the right to develop additional time-shares, the time-share instrument shall also contain the following:

1. A legally sufficient description of all land that may be added to the time-share project, which shall be referred to as "additional land";
2. A statement outlining the order in which portions of the additional land may be subjected to the exercise of each development right or a statement that no assurances are made in that regard;
3. A statement of the time limit upon which the option to develop shall expire, together with a statement of the circumstances, if any, that will terminate that option prior to the expiration of the specified time limit;
4. A statement of the maximum number of units that may be added to the time-share project, if known, or, if the maximum number of units that may be added to the time-share project is not known, a statement to that effect; and
5. A statement of the property classification of the additional land if the developer fails to exercise the development rights as reserved in the time-share instrument.

§ 55.1-2217. Public offering statement.

A. Prior to the execution of a contract for the purchase of a time-share, the developer shall prepare and distribute to each prospective purchaser a copy of the current public offering statement regarding the time-share program. The public offering statement shall (i) fully and accurately disclose the material characteristics of the time-share program registered under this chapter and such time-share offered and (ii) make known to each prospective purchaser all material circumstances affecting such time-share program. A developer need not make joint disclosures concerning two or more time-share projects owned by the developer or any related entity unless such projects are included in the same time-share program and marketed jointly at any of the time-share projects. The proposed public offering statement shall be filed with the Board and shall be in a form prescribed by its regulations. The public offering statement may limit the information provided for the specific time-share project to which the developer's registration relates. The public offering statement shall include the following only to the extent that a given disclosure is applicable:

1. The name and principal address of the developer, including:
 - a. The name, principal occupation, and address of every director, partner, limited liability company manager, or trustee of the developer;
 - b. The name and address of each person owning or controlling an interest of 20 percent or more in each time-share project included in the registration;
 - c. The particulars of any indictment, conviction, judgment, or order of any court or administrative agency against the developer or managing entity for violation of a federal, state, local, or foreign country law or regulation in connection with activities relating to time-share sales, land sales, land investments, security sales, construction or sale of homes or improvements, or any similar or related activity;
 - d. The nature of each unsatisfied judgment, if any, against the developer or the managing entity, the status of each pending action involving the sale or management of real estate to which the developer, the managing entity, or any general partner, executive officer, director, limited liability company manager, or majority stockholder thereof is a defending party, and the status of each pending action, if any, of significance to any time-share project included in the registration; and
 - e. The name and address of the developer's agent for service of any notice permitted by this chapter.
2. A general description of the time-share projects included in the time-share program. The description shall include the address of each time-share project, the units, and common elements for each project promised available to purchasers, including the developer's estimated schedule of commencement and completion of all promised and incomplete time-share units and common elements.
3. As to all time-shares offered by the developer:
 - a. The form of time-share ownership offered in the time-share program;
 - b. The types, duration, and number of units and time-shares in the time-share program;
 - c. Identification of time-share units that are subject to the time-share program;
 - d. The estimated number of time-share units that may become subject to the time-share program;
 - e. Provisions, if any, that have been made for public utilities in the time-share project including water, electricity, telephone, and sewerage facilities;
 - f. A statement to the effect of whether or not the developer has reserved the right to add to or delete from the time-share program a time-share project or any incidental benefit; and
 - g. A statement of whether the developer will offer any alternative purchase; and
 - h. If the developer utilizes the possibility of reverter, a statement to that effect referring the purchaser to the reverter deed for an explanation of such possibility of reverter.
4. In a time-share estate program, a copy of the annual report or budget required by § 55.1-2213, which copy may take the form of an exhibit to the public offering statement. In the case where multiple time-share projects are included in the time-share program, the copy or exhibit may be in summary form.
5. In a time-share use program where the developer's net worth is no more than \$250,000, a current audited balance sheet and, where the developer's net worth exceeds such amount, a statement by such developer that its equity in the time-share program exceeds that amount.
6. Any initial or special fee due from the purchaser at settlement together with a description of the purpose and method of calculating the fee.
7. A description of any liens, defects, or encumbrances affecting the time-share project and in particular the time-share offered to the purchaser.
8. A general description of any financing offered by or available through the developer.
9. A statement that the purchaser has a nonwaivable right of cancellation, referring such purchaser to that portion of the contract in which such right may be found.
10. If the time-share interest in a condominium unit may be conveyed before that condominium unit is certified as substantially complete in accordance with § 55.1-1920, a statement of the developer's obligation to complete the condominium unit. Such statement shall include the approximate date by which the condominium unit shall be completed, together with the form and amount of the bond filed in accordance with subsection B of § 55.1-1921.

11. Any restraints on alienation of any number or portion of any time-shares.
12. A description of the insurance coverage provided for the benefit of time-share owners.
13. The extent to which financial arrangements, if any, have been provided for completion of any incomplete but promised time-share unit or common element being then offered for sale, including a statement of the developer's obligation to complete the promised units and common elements that the time-share project comprises that have not begun or that have begun but have not yet been completed.
14. The extent to which a time-share unit may become subject to a tax or other lien arising out of claims against other owners of the same unit.
15. The name and address of the managing entity for each project in the time-share program.
16. Copies of the time-share instrument and the association's articles of incorporation and bylaws, each of which may be a supplement to the public offering statement.
17. Any services that the developer provides or expense it pays and that it expects may become at any subsequent time a time-share expense of the owners, and the projected time-share expense liability attributable to each of those services or expenses for each time-share.
18. A description of the terms of the deposit escrow requirements, including a statement that deposits may be removed from escrow at the termination of the cancellation period.
19. A description of the facilities, if any, provided by the developer to the association in a time-share estate project for the management of the project.
20. Any other information required by the Board to assure full and fair meaningful disclosure to prospective purchasers.

B. If any prospective purchaser is offered the opportunity to subscribe to or participate in any exchange program, the public offering statement shall include, as an exhibit or supplement, the disclosure document prepared by the exchange company in accordance with § 55.1-2219 and a brief narrative description of the exchange program, which shall include the following:

1. A statement of whether membership or participation in the program is voluntary or mandatory;
2. The name and address of the exchange company together with the names of its top three officers and directors;
3. A statement of whether the exchange company or any of its top three officers, directors, or holders of a 10 percent or greater interest in the exchange company has any interest in the developer, the managing entity, or the time-share program;
4. A statement that the purchaser's contract with the exchange company is a contract separate and distinct from the purchaser's contract with the developer; and
5. A brief narrative description of the procedure by which exchanges are conducted.

C. The public offering statement of a conversion time-share project shall also include the following, which may take the form of an exhibit to the public offering statement:

1. A specific statement of the amount of any initial or special fee, if any, due from the purchaser of a time-share on or before settlement of the purchase contract and the basis of such fee occasioned by the fact that the project is a conversion time-share project;
2. Information on the actual expenditures, if available, made on all repairs, maintenance, operation, or upkeep of any building in the time-share project within the last three years. This information shall be set forth in a tabular manner within the proposed budget of the project. If any such building has not been occupied for a period of three years, the information shall be set forth for the period during which such building was occupied;
3. A description of any provisions made in the budget for reserves for capital expenditures and an explanation of the basis for such reserves occasioned by the fact that the project is a conversion time-share project, or, if no provision is made for such reserves, a statement to that effect; and
4. A statement of the present condition of all structural components and major utility installations in the building, which statement shall include the approximate dates of construction, installations, and major repairs as well as the expected useful life of each such item, together with the estimated cost, in current dollars, of replacing each such component.

D. In the case of a conversion time-share project, the developer shall give at least 90 days' notice to each of the tenants of any building that the developer intends to submit to the provisions of this chapter. During the first 60 days of such 90-day period, each of these tenants shall have the exclusive right to contract for the purchase of a time-share from the unit he occupies, but only if such unit is to be retained in the conversion time-share project without substantial alteration in its physical layout. Such notice shall be hand delivered or sent by first-class mail, return receipt requested, and shall inform the tenants of the developer's intent to create a conversion time-share project. Such notice may also constitute the notice to terminate the tenancy as provided for in § 55.1-1410, except that, despite the provisions of § 55.1-1410, a tenancy from month to month may only be terminated upon 120 days' notice as set forth in this subsection when such termination is in regard to the creation of a conversion time-share project. If, however, a tenant so notified remains in possession of the unit he occupies after the expiration of the 120-day period with the permission of the developer, in order to then terminate the tenancy, such developer shall give the tenant a further notice as provided in § 55.1-1410.

The developer of a conversion time-share project shall, in addition to the requirements of

§ 55.1-2239, include with the application for registration a copy of the notice required by this subsection and a certified statement that such notice fully complies with the provisions of this subsection shall be, at the time of the registration, mailed or delivered to each of the tenants in any building for which registration is sought.

E. The developer shall amend the public offering statement to reflect any material change in the time-share program. If the developer has reserved in the time-share instrument the right to add to or delete incidental benefits or alternative purchases, the addition or deletion of such benefits or purchases shall not constitute a material change. Prior to distribution, the developer shall file with the Board the public offering statement amended to reflect any material change.

F. The Board may at any time require a developer to alter or supplement the form or substance of the public offering statement to assure full and fair disclosure to prospective purchasers. A developer may prepare and distribute a public offering statement for each time-share program offered or one public offering statement for all time-share programs offered.

G. The developer shall amend the public offering statement to reflect any addition of a time-share project to, or removal of a time-share project from, the existing time-share program.

H. In the case of a time-share project located outside the Commonwealth, similar disclosure statements required by other situs laws governing time-sharing may be accepted by the Board as alternative disclosure statements to satisfy the requirements of this section.

I. The public offering statement may be in any format, including any electronic format, provided that the prospective buyer has available for review, along with ample time for any questions and answers, a copy of the public offering statement prior to his execution of a contract.

DRAFT AGENCY MATERIALS FOR COMMENT AND ARE NOT TO BE USED FOR OFFICIAL PURPOSES

1 **Common Interest Community Board**

2 **Time-Share Regulations - HB 1955/SB 969 Amendments**

3 **18VAC48-45-110. Prerequisites for registration of a time-share program.**

4 The following provisions are prerequisites for registration and are supplementary to the
5 provisions of § 55.1-2239 of the Code of Virginia.

6 1. The developer shall own or have the right to acquire an estate in the land constituting
7 or to constitute any time-share project included in the time-share program that is of at
8 least as great a degree and duration as the estate to be conveyed in the time-shares.

9 2. The time-share instrument of any time-share project included in the time-share
10 program must be adequate to bring a time-share project and time-share program into
11 existence upon recordation. This subdivision does not apply to a time-share instrument
12 that may be recorded after the time-share project and time-share program have been
13 created.

14 ~~3. The time-share instrument must include a statement detailing that the developer~~
15 ~~reserves or does not reserve the right to add or delete any alternative purchase.~~

16 4.3. The current and planned time-share advertising activities of the developer shall
17 comply with § 18.2-216 of the Code of Virginia and this chapter.

18 5.4. If the developer is a firm, it shall be organized as a business entity under the laws of
19 the Commonwealth of Virginia or otherwise authorized to transact business in Virginia.
20 Firms shall register any trade or fictitious names with the State Corporation Commission
21 in accordance with Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of the Code of Virginia
22 before submitting an application to the board.

23 **18VAC48-45-130. Minimum application requirements for registration of a time-share**
24 **program.**

25 A. The documents and information contained in §§ 55.1-2208, 55.1-2209, 55.1-2210, 55.1-
26 2214, 55.1-2217, and 55.1-2239 of the Code of Virginia, as applicable, shall be included in the
27 application for registration of a time-share program.

28 B. The application for registration of a time-share program shall include the fee specified in
29 18VAC48-45-70.

30 C. The following documents shall be included in the application for registration of a time-
31 share program as exhibits. All exhibits shall be labeled as indicated and submitted in a format
32 acceptable to the board.

33 1. Exhibit A: A copy of the certificate of incorporation or certificate of authority to transact
34 business in Virginia issued by the Virginia State Corporation Commission, or any other
35 entity formation documents, together with any trade or fictitious name certificate.

36 2. Exhibit B: A certificate of recordation or other acceptable documents from the city or
37 county where the time-share is located.

38 3. Exhibit C: A copy of the title opinion, the title policy, or a statement of the condition of
39 the title to each time-share project included in the time-share program, including
40 encumbrances as of a specified date within 30 days of the date of application by a title
41 company or licensed attorney who is not a salaried employee, officer, or director of the
42 developer or owner, in accordance with subdivision A 5 of § 55.1-2239 of the Code of
43 Virginia. If the developer is not the record owner of the land, a copy of any contract the
44 developer has executed to purchase the land, any option the developer holds for the
45 purchase of the land, or any lease under which the developer holds the land.

- 46 4. Exhibit D: Proof that the applicant or developer owns or has the right to acquire an
47 estate in the land constituting or to constitute each time-share project included in the
48 time-share program, which is of at least as great a degree and duration as the estate to
49 be conveyed in the time-share.
- 50 5. Exhibit E: A statement of the zoning, subdivision, or land use obligations or proffers
51 and other governmental regulations affecting the use of each time-share project included
52 in the time-share program, including the site plans and building permits and their status,
53 any existing tax, and existing or proposed special taxes or assessments that affect the
54 time-share.
- 55 6. Exhibit F: A copy of the time-share instrument, including all applicable amendments
56 and exhibits, that will be delivered to a purchaser and copies of the contracts and other
57 agreements that a purchaser will be required to agree to or sign.
- 58 7. Exhibit G: A narrative description of the promotional plan for the disposition of the
59 time-shares.
- 60 8. Exhibit H: A copy of the proposed public offering statement that complies with § 55.1-
61 2217 of the Code of Virginia and this chapter. Pursuant to subsection H of § 55.1-2217,
62 a similar disclosure statement required by other situs laws governing time-sharing may
63 be submitted for a time-share located outside of the Commonwealth.
- 64 9. Exhibit I: A copy of the buyer's acknowledgment. Pursuant to § 55.1-2226 of the Code
65 of Virginia, the purchaser shall be given this document prior to signing a purchase
66 contract, and the document shall contain the information required by subsection B of
67 § 55.1-2226.
- 68 10. Exhibit J: The signed original of (i) any bond or letter of credit obtained pursuant to
69 § 55.1-2220 of the Code of Virginia in lieu of escrowing deposits and (ii) any bond or

70 letter of credit required by subsection B of § 55.1-2234 of the Code of Virginia, as
71 applicable.

72 11. Exhibit K: A copy of any management agreements and other contracts or
73 agreements affecting the overall use, maintenance, management, or access of all or any
74 part of the time-share program.

75 12. Exhibit L: A list with the names of every officer, manager, owner, or principal, as
76 applicable to the type of firm under which the developer is organized to do business, of
77 the developer or persons occupying a similar status within or performing similar
78 functions for the developer. The list must include each individual's residential address or
79 other address valid for receipt of service, principal occupation for the past five years, and
80 title.

81 13. Exhibit M: A statement whether any of the individuals or entities named in Exhibit L
82 are or have been involved as defendants in any indictment, conviction, judgment,
83 decree, or order of any court or administrative agency against the developer or
84 managing entity for violation of a federal, state, local, or foreign country law or regulation
85 in connection with activities relating to time-share sales, land sales, land investments,
86 security sales, construction or sale of homes or improvements, or any similar or related
87 activity.

88 14. Exhibit N: A statement whether, during the preceding five years, any of the
89 individuals or entities named in Exhibit L have been adjudicated bankrupt or have
90 undergone any proceeding for the relief of debtors.

91 15. Exhibit O: If the developer has reserved the right to add to or delete from the time-
92 share program any incidental benefit ~~or alternative purchase~~, a description of the

93 incidental benefit ~~or alternative purchase~~ shall be provided pursuant to subdivision A 13
94 of § 55.1-2239 of the Code of Virginia.

95 16. Exhibit P: For any time-share program containing a conversion time-share project, a
96 copy of the notice required by subsection D of § 55.1-2217 of the Code of Virginia and a
97 certified statement that such notice shall be mailed or delivered to each of the tenants in
98 the building of each conversion time-share project included in the time-share program.

99 **18VAC48-45-160. Contents of public offering statement.**

100 A. A cover, if used, must be blank or bear identification information only.

101 B. The developer may include as part of the public offering statement a receipt page printed
102 in such a way that the developer may obtain verification that a prospective purchaser has
103 received the public offering statement. The receipt page shall include the effective date of the
104 public offering statement as well as a place for the date of delivery and signature lines for the
105 prospective purchaser. The authorized receipt page in proper form, duly executed, shall be
106 evidence that the public offering statement was delivered.

107 C. The first page of the public offering statement shall be substantially as follows:

108 **PURCHASER SHOULD READ THIS DOCUMENT FOR THE PURCHASER'S**
109 **PROTECTION**

PUBLIC OFFERING STATEMENT	
NAME OF TIME-SHARE PROGRAM:	_____
LOCATION OF TIME-SHARE PROJECT:	_____
NAME OF DEVELOPER:	_____
ADDRESS OF DEVELOPER:	_____

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT:	_____
REVISED:	_____

110 THE PURCHASER OF A TIME-SHARE MAY CANCEL THE CONTRACT UNTIL
 111 MIDNIGHT OF THE SEVENTH CALENDAR DAY FOLLOWING THE EXECUTION OF SUCH
 112 CONTRACT. THE PURCHASER SHOULD READ THIS DOCUMENT FOR THE
 113 PURCHASER'S OWN PROTECTION.

114 Purchasing a time-share carries with it certain rights, responsibilities, and benefits,
 115 including certain financial obligations, rights, and restrictions concerning the use and
 116 maintenance of units and common elements. The purchaser will be bound by the
 117 provisions of the time-share instruments and should review the Public Offering
 118 Statement, the time-share instruments, and other exhibits carefully prior to purchase.

119 This Public Offering Statement presents information regarding time-share(s) being offered
 120 for sale by the developer. The Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq. of the
 121 Code of Virginia) requires that a Public Offering Statement be given to every Purchaser in order
 122 to provide full and accurate disclosure of the characteristics of and material circumstances
 123 affecting the time-share program and the characteristics of the time-share(s) being offered. The
 124 Public Offering Statement is not intended, however, to be all-inclusive. The Purchaser should
 125 consult other sources for details not covered by the Public Offering Statement.

126 The Public Offering Statement summarizes information and documents furnished by the
 127 developer to the Virginia Common Interest Community Board. The Board has carefully reviewed
 128 the Public Offering Statement but does not guarantee the accuracy or completeness of the
 129 Public Offering Statement. In the event of any inconsistency between the Public Offering
 130 Statement and the material it is intended to summarize, the material shall control.

131 If the Purchaser elects to cancel the contract within the seven-day cancellation period, all
132 payments made in connection with the purchase contract shall be refunded to the Purchaser
133 within 45 days. If the Purchaser elects to cancel the contract, the Purchaser shall do so either
134 by (i) hand-delivering the notice to the developer at its principal office or at the project or (ii)
135 mailing the notice by certified United States mail, return receipt requested, to the developer or
136 its agent designated in the contract.

137 Allegations of violation of any law or regulation contained in the Virginia Real Estate Time-
138 Share Act or the Time-Share Regulations (18VAC48-45) should be reported to the Common
139 Interest Community Board, Perimeter Center, Suite 400, 9960 Mayland Drive, Richmond,
140 Virginia 23233.

141 D. A summary of important considerations shall immediately follow the first page for the
142 purpose of reinforcing the disclosure of significant information. The summary shall be titled as
143 such and shall be introduced by the following statement: "The following are important matters to
144 be considered in acquiring a time-share. They are highlights only. The Public Offering
145 Statement should be examined in its entirety to obtain detailed information." Appropriate
146 modifications shall be made to reflect facts and circumstances that may vary. The summary
147 shall consist of, but not be limited to, the following, as applicable:

148 1. A brief description of the time-share program and any time-share project included in
149 the time-share program.

150 2. A statement regarding all incidental benefits or alternative purchases that may be
151 offered by the developer.

152 3. A brief description of all amenities located within or outside of any time-share project
153 included in the time-share program and available to time-share owners by virtue of
154 ownership in the time-share program. If such amenities are not common elements of the

155 time-share project, identify who owns the amenities and whether time-share owners are
156 required to pay to access and use.

157 4. A statement describing any exchange program that may be offered to the purchaser.

158 5. A statement describing (i) the purchaser's responsibility to make principal and interest
159 payment in connection with the purchase of the time-share as well as to pay
160 maintenance fees or assessments, special assessments, user fees, insurance
161 premiums, and real estate taxes and (ii) that a time-share owner cannot reduce the
162 amount of any owner obligation for any reason.

163 6. A statement regarding the consequences for failure to pay maintenance fees or any
164 special assessment when due. The statement may reference the enforcement
165 mechanisms available to the developer, and if applicable the association, by describing
166 (i) any declaration of an owner being an "Owner Not in Good Standing"; (ii) any civil
167 action taken for the collection of a debt; (iii) means for pursuing foreclosure or obtaining
168 a lien against the time-share unit; and (iv) denial of access to the time-share project and
169 participation in the time-share program.

170 7. A statement indicating whether the developer or managing agent has indictments,
171 convictions, judgments, decrees, or order of any court or administrative agency for
172 matters related to fraud or consumer protection violations that may be required to be
173 disclosed by subdivisions A 1 c and A 1 d of § 55.1-2217 of the Code of Virginia.

174 8. A statement indicating the period of time the developer will retain control of the
175 association .

176 9. A statement disclosing any management agreement with a managing agent to
177 perform certain duties for any time-share project included in the time-share program.

178 10. A statement indicating whether the developer may expand the time-share program.

179 11. A statement indicating whether the right of the time-share owner to resell or transfer
180 the time-share is subject to restrictions.

181 12. A statement indicating the time-share units are restricted to lodging only.

182 13. A statement indicating that the time-share owner may not alter the interior or exterior
183 of the time-share unit.

184 14. A statement regarding the obligation of the developer or association to obtain certain
185 insurance benefiting the time-share owner.

186 15. A statement regarding a time-share estate and time-share owner's obligation to pay
187 real estate taxes.

188 ~~16. A statement regarding whether or not the developer reserves the right to add or~~
189 ~~delete any alternative purchase.~~

190 E. The content after the summary of important considerations shall include the narrative
191 sections in 18VAC48-45-170 through 18VAC48-45-310. Supplementary sections may be
192 included as necessary.

193 F. Clear and legible copies of the following documents shall be included as either
194 supplements or exhibits to the public offering statement:

195 1. Time-share instrument;

196 2. Association articles of incorporation;

197 3. Bylaws;

198 4. Association annual report or projected budget for time-share estate programs;

199 5. Rules and regulations of the association, if available;

200 6. Any management contract, if applicable;

201 7. Exchange program disclosure document and narrative statement required pursuant to
202 subsection B of § 55.1-2217 of the Code of Virginia, if applicable; and

203 8. Other documents obligating the association or time-share owner to perform duties or
204 obligations or pay charges or fees, if applicable.

205 G. Other information and documentation may be included as necessary to ensure full and
206 accurate disclosure. The board may also require additional information as necessary to ensure
207 full and accurate disclosure.

208 **18VAC48-45-190. Narrative sections; description of time-share project.**

209 A. The public offering statement shall contain a section captioned "Description of the Time-
210 Share Project." The section shall provide a general description of any time-share project
211 included in the time-share program and the units and common elements promised available to
212 purchasers. This section shall also provide the developer's estimated schedule of
213 commencement and completion of all promised and incomplete units and common elements.

214 B. The section shall state whether the developer has reserved the right to add and delete
215 from the time-share program a time-share project or any incidental benefit ~~or alternative~~
216 ~~purchase.~~

217 C. The section shall refer the purchaser to the reverter deed for an explanation if the
218 developer utilized the possibility of a reverter.

219 D. The section shall indicate all provisions that have been made for public utilities in the
220 time-share project, including water, electricity, telephone, and sewerage facilities.

221 **18VAC48-45-310. Narrative sections; alternative purchase and incidental benefit.**

222 The public offering statement shall contain a section entitled "Alternative Purchases and
223 Incidental Benefits." The section shall state whether or not the developer has reserved the right

224 to add to or delete from the time-share program any incidental benefit ~~or alternative purchase~~.
225 The section must state whether the developer will offer any alternative purchase. The section
226 shall state that such alternative purchase has been or will be registered with the board.

227 **18VAC48-45-350. Nonmaterial changes to the public offering statement.**

228 Changes to the public offering statement that are not material are not required to be filed
229 with the board, shall not be deemed an amendment of the public offering statement for the
230 purposes of this chapter, and shall not give rise to a renewed right of rescission in any
231 purchase. Nonmaterial changes to the public offering statement include the following:

- 232 1. Correction of spelling, grammar, omission, or other similar errors not affecting the
233 substance of the public offering statement;
- 234 2. Changes in presentation or format;
- 235 3. Substitution of an executed, filed, or recorded copy of a document for the otherwise
236 substantially identical unexecuted, unfiled, or unrecorded copy of the document that was
237 previously submitted;
- 238 4. Inclusion of updated information such as identification or description of the current
239 officers and directors of the developer;
- 240 5. Disclosure of completion of improvements for improvements that were previously
241 proposed or not complete;
- 242 6. Changes in real estate tax assessment or rate or modifications related to those
243 changes;
- 244 7. Changes in utility charges or rates or modifications related to those changes;

- 245 8. Addition or deletion of incidental benefits ~~or alternative purchases~~ provided the
246 developer reserved in the time-share instrument the right to add or delete incidental
247 benefits ~~or alternative purchases~~;
- 248 9. Adoption of a new budget that does not result in a significant change in fees or
249 assessments or significantly impact the rights or obligations of the prospective
250 purchasers;
- 251 10. Modifications related to changes in insurance company or financial institution, policy,
252 or amount for bonds or letters of credit filed with the board in accordance with § 55.1-
253 2220 of the Code of Virginia or required pursuant to § 55.1-2234 of the Code of Virginia;
- 254 11. Changes in personnel of the managing agent; and
- 255 12. Any change that is the result of orderly development of the time-share in accordance
256 with the time-share instruments as described in the public offering statement.

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 388

An Act to amend and reenact §§ 54.1-2130, 54.1-2345.1, 54.1-2349 through 54.1-2352, 55.1-1800, 55.1-1802, 55.1-1805, 55.1-1816, 55.1-1820, 55.1-1820.1, 55.1-1822, 55.1-1823, 55.1-1904, 55.1-1937, 55.1-1951, 55.1-1951.1, 55.1-1972, 55.1-2101, 55.1-2133, 55.1-2133.1, 55.1-2151, and 55.1-2162 of the Code of Virginia; to amend the Code of Virginia by adding in Title 55.1 a chapter numbered 23.1, consisting of sections numbered 55.1-2307 through 55.1-2317; and to repeal Article 2 (§§ 55.1-1808 through 55.1-1814) of Chapter 18 and Article 5 (§§ 55.1-1990 through 55.1-1995) of Chapter 19 of Title 55.1 and § 55.1-2161 of the Code of Virginia, relating to common interest communities; Resale Disclosure Act.

[S 1222]

Approved March 23, 2023

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2130, 54.1-2345.1, 54.1-2349 through 54.1-2352, 55.1-1800, 55.1-1802, 55.1-1805, 55.1-1816, 55.1-1820, 55.1-1820.1, 55.1-1822, 55.1-1823, 55.1-1904, 55.1-1937, 55.1-1951, 55.1-1951.1, 55.1-1972, 55.1-2101, 55.1-2133, 55.1-2133.1, 55.1-2151, and 55.1-2162 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 55.1 a chapter numbered 23.1, consisting of sections numbered 55.1-2307 through 55.1-2317, as follows:

§ 54.1-2130. Definitions.

As used in this article:

"Agency" means every relationship in which a real estate licensee acts for or represents a person as an agent by such person's express authority in a commercial or residential real estate transaction, unless a different legal relationship is intended and is agreed to as part of the brokerage agreement. Nothing in this article shall prohibit a licensee and a client from agreeing in writing to a brokerage relationship under which the licensee acts as an independent contractor or which imposes on a licensee obligations in addition to those provided in this article. If a licensee agrees to additional obligations, however, the licensee shall be responsible for the additional obligations agreed to with the client in the brokerage agreement. A real estate licensee who enters into a brokerage relationship based upon a written brokerage agreement that specifically states that the real estate licensee is acting as an independent contractor and not as an agent shall have the obligations agreed to by the parties in the brokerage agreement, and such real estate licensee and its employees shall comply with the provisions of subdivisions A 3 through 7 and subsections B and E of § 54.1-2131; subdivisions A 3 through 7 and subsections B and E of § 54.1-2132; subdivisions A 3 through 7 and subsections B and E of § 54.1-2133; subdivisions A 3 through 7 and subsections B and E of § 54.1-2134; and subdivisions A 2 through 6 and subsections C and D of § 54.1-2135 but otherwise shall have no obligations under §§ 54.1-2131 through 54.1-2135. Any real estate licensee who acts for or represents a client in an agency relationship in a residential real estate transaction shall either represent such client as a standard agent or a limited service agent.

"Agent" means a real estate licensee who is acting as (i) a standard agent in a residential real estate transaction, (ii) a limited service agent in a residential real estate transaction, or (iii) an agent in a commercial real estate transaction.

"Brokerage agreement" means the written agreement creating a brokerage relationship between a client and a licensee. The brokerage agreement shall state whether the real estate licensee will represent the client as an agent or an independent contractor.

"Brokerage relationship" means the contractual relationship between a client and a real estate licensee who has been engaged by such client for the purpose of procuring a seller, buyer, option, tenant, or landlord ready, able, and willing to sell, buy, option, exchange or rent real estate on behalf of a client.

"Client" means a person who has entered into a brokerage relationship with a licensee.

"Commercial real estate" means any real estate other than (i) real estate containing one to four residential units or (ii) real estate classified for assessment purposes under § 58.1-3230. Commercial real estate shall not include single family residential units, including condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

"Common source information company" means any person, firm, or corporation that is a source, compiler, or supplier of information regarding real estate for sale or lease and other data and includes, but is not limited to, multiple listing services.

"Customer" means a person who has not entered into a brokerage relationship with a licensee but for whom a licensee performs ministerial acts in a real estate transaction. Unless a licensee enters into a brokerage relationship with such person, it shall be presumed that such person is a customer of the

licensee rather than a client.

"Designated agent" or "designated representative" means a licensee who has been assigned by a principal or supervising broker to represent a client when a different client is also represented by such principal or broker in the same transaction. A designated representative shall only act as an independent contractor.

"Dual agent" or "dual representative" means a licensee who has a brokerage relationship with both seller and buyer, or both landlord and tenant, in the same real estate transaction. A dual agent has an agency relationship under brokerage agreements with the clients. A dual representative has an independent contractor relationship under brokerage agreements with the clients. A dual representative shall only act as an independent contractor.

"Independent contractor" means a real estate licensee who (i) enters into a brokerage relationship based upon a brokerage agreement that specifically states that the real estate licensee is acting as an independent contractor and not as an agent; (ii) shall have the obligations agreed to by the parties in the brokerage agreement; and (iii) shall comply with the provisions of subdivisions A 3 through 7 and subsections B and E of § 54.1-2131; subdivisions A 3 through 7 and subsections B and E of § 54.1-2132; subdivisions A 3 through 7 and subsections B and E of § 54.1-2133; subdivisions A 3 through 7 and subsections B and E of § 54.1-2134; and subdivisions A 2 through 6 and subsections C and D of § 54.1-2135 but otherwise shall have no obligations under §§ 54.1-2131 through 54.1-2135.

"Licensee" means real estate brokers and salespersons as defined in Article 1 (§ 54.1-2100 et seq.).

"Limited service agent" means a licensee who acts for or represents a client in a residential real estate transaction pursuant to a brokerage agreement that provides that the limited service agent will not provide one or more of the duties set forth in subdivision A 2 of §§ 54.1-2131, 54.1-2132, 54.1-2133, and 54.1-2134, inclusive. A limited service agent shall have the obligations set out in the brokerage agreement, except that a limited service agent shall provide the client, at the time of entering the brokerage agreement, copies of any and all disclosures required by federal or state law, or local disclosures expressly authorized by state law, and shall disclose to the client the following in writing: (i) the rights and obligations of the client under the Virginia Residential Property Disclosure Act (§ 55.1-700 et seq.); (ii) if the client is selling a condominium, the rights and obligations of the client to deliver to the purchasers, or to receive as purchaser, the ~~condominium~~ resale certificate required by § ~~55.1-1990~~ 55.1-2309; and (iii) if the client is selling a property subject to the Property Owners' Association Act (§ 55.1-1800 et seq.), the rights and obligations of the client to deliver to the purchasers, or to receive as purchaser, the ~~association disclosure packet required by § 55.1-1809~~ resale certificate required by § 55.1-2309.

"Ministerial acts" means those routine acts which a licensee can perform for a person which do not involve discretion or the exercise of the licensee's own judgment.

"Property management agreement" means the written agreement between a property manager and the owner of real estate for the management of the real estate.

"Residential real estate" means real property containing from one to four residential dwelling units and the sale of lots containing one to four residential dwelling units.

"Standard agent" means a licensee who acts for or represents a client in an agency relationship in a residential real estate transaction. A standard agent shall have the obligations as provided in this article and any additional obligations agreed to by the parties in the brokerage agreement.

§ 54.1-2345.1. Certain real estate arrangements and covenants not deemed to constitute a common interest community.

A. An arrangement between the associations for two or more common interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement or declarations does not create a separate common interest community, or an arrangement between an association and the owner of real estate that is not part of a common interest community to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement does not create a separate common interest community. Assessments against the lots in the common interest community required by such arrangement shall be included in the periodic budget for the common interest community, and the arrangement shall be disclosed in all required public offering statements and ~~disclosure packets~~ resale certificates.

B. A covenant requiring the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, driveway, well, or other similar use does not create a common interest community unless the owners otherwise agree to create such community.

§ 54.1-2349. Powers and duties of the Board.

A. The Board shall administer and enforce the provisions of this article. In addition to the provisions of §§ 54.1-201 and 54.1-202, the Board shall:

1. Promulgate regulations necessary to carry out the requirements of this article in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.), including the prescription of fees, procedures, and qualifications for the issuance and renewal of common interest community manager licenses. Upon application for license and each renewal thereof, the applicant shall pay a fee established

by the Board, which shall be placed to the credit of the Common Interest Community Management Information Fund established pursuant to § 54.1-2354.2;

2. Establish criteria for the licensure of common interest community managers to ensure the appropriate training and educational credentials for the provision of management services to common interest communities. Such criteria may include experiential requirements and shall include designation as an Accredited Association Management Company by the Community Associations Institute. As an additional alternative to such designation, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program and certifying examination or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of common interest community managers;

3. Establish criteria for the certification of the employees of common interest community managers who have principal responsibility for management services provided to a common interest community or who have supervisory responsibility for employees who participate directly in the provision of management services to a common interest community to ensure the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community. Such criteria shall include designation as a Certified Manager of Community Associations by the Community Association Managers International Certification Board, designation as an Association Management Specialist by the Community Associations Institute, or designation as a Professional Community Association Manager by the Community Associations Institute. As an additional alternative to such designations, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program as developed by the Virginia Association of Realtors or other organization, and certifying examination, or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of the employees of common interest community managers who participate directly in the provision of management services to a common interest community. The fee paid to the Board for the issuance of such certificate shall be paid to the Common Interest Community Management Information Fund established pursuant to § 54.1-2354.2;

4. Approve the criteria for accredited common interest community manager training programs;

5. Approve accredited common interest community manager training programs;

6. Establish, by regulation, standards of conduct for common interest community managers and for employees of common interest community managers certified in accordance with the provisions of this article;

7. Establish, by regulation, an education-based certification program for persons who are involved in the business or activity of providing management services for compensation to common interest communities. The Board shall have the authority to approve training courses and instructors in furtherance of the provisions of this article;

8. Issue a certificate of registration to each association that has properly filed in accordance with this chapter; and

9. Develop and publish best practices for the content of declarations consistent with the requirements of the Property Owners' Association Act (§ 55.1-1800 et seq.).

B. 1. The Board shall have the sole responsibility for the administration of this article and for the promulgation of regulations to carry out the requirements thereof.

2. The Board shall also be responsible for the enforcement of this article, provided that the Real Estate Board shall have the sole responsibility for the enforcement of this article with respect to a real estate broker, real estate salesperson, or real estate brokerage firm licensed in accordance with Chapter 21 (§ 54.1-2100 et seq.) who is also licensed as a common interest community manager.

3. For purposes of enforcement of this article or the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), ~~or~~ the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *or the Resale Disclosure Act (§ 55.1-2307 et seq.)*, any requirement for the conduct of a hearing shall be satisfied by an informal fact-finding proceeding convened and conducted pursuant to § 2.2-4019 of the Administrative Process Act (§ 2.2-4000 et seq.).

C. The Board is authorized to obtain criminal history record information from any state or federal law-enforcement agency relating to an applicant for licensure or certification. Any information so obtained is for the exclusive use of the Board and shall not be released to any other person or agency except in furtherance of the investigation of the applicant or with the authorization of the applicant or upon court order.

D. Notwithstanding the provisions of subsection A of § 54.1-2354.4, the Board may receive a complaint directly from any person aggrieved by an association's failure to deliver a resale certificate ~~or disclosure packet within the time period required under § 55.1-1809, 55.1-1810, 55.1-1811, 55.1-1900, 55.1-1992, or 55.1-2161~~ in accordance with Chapter 23.1 (§ 55.1-2307 et seq.) of Title 55.1.

§ 54.1-2350. Annual report; form to accompany resale certificates.

In addition to the provisions of § 54.1-2349, the Board shall:

1. Administer the provisions of Article 2 (§ 54.1-2354.1 et seq.);

2. Develop and disseminate an association annual report form for use in accordance with §§ 55.1-1835, 55.1-1980, and 55.1-2182; and

3. Develop and disseminate a *standardized resale certificate* form to accompany resale certificates required pursuant to § 55.1-1990 and association disclosure packets required pursuant to § 55.1-1809, which form shall summarize the unique characteristics of common interest communities generally that may affect a prospective purchaser's decision to purchase a lot or unit located in a common interest community. The form shall include information on the following, which may or may not be applicable to a particular common interest community: (i) the obligation on the part of an owner to pay regular annual or special assessments to the association; (ii) the penalty for failure or refusal to pay such assessments; (iii) the purposes for which such assessments, if any, may be used, including for the construction or maintenance of stormwater management facilities; (iv) the importance the declaration of restrictive covenants or condominium instruments, as applicable, and other governing documents play in association living; (v) limitations on an owner's ability to rent his lot or unit; (vi) limitations on an owner's ability to park or store certain types of motor vehicles or boats within the common interest community; (vii) limitations on an owner's ability to maintain an animal as a pet within the lot or unit, or in common areas or common elements; (viii) architectural guidelines applicable to an owner's lot or unit; (ix) limitations on an owner's ability to operate a business within a dwelling unit on a lot or within a unit; (x) the period or length of declarant control; and (xi) that the purchase contract for a lot within an association is a legally binding document once it is signed by the prospective purchaser where the purchaser has not elected to cancel the purchase contract in accordance with law *contain disclosure statements in the order listed in § 55.1-2310. The form shall provide for the attachment of reference documents and contain space for an association to indicate those disclosures that pertain to its particular community.* The form shall also provide that (a) the purchaser remains responsible for his own examination of the materials that constitute the resale certificate or disclosure packet and of any table of contents that may be contained therein; (b) the purchaser shall carefully review the entire resale certificate or disclosure packet; and (c) the contents of the resale certificate or disclosure packet shall control to the extent that there are any inconsistencies between the form and the resale certificate or disclosure packet *attached reference documents.*

§ 54.1-2351. General powers and duties of Board concerning associations.

A. The Board may adopt, amend, and repeal rules and regulations and issue orders consistent with and in furtherance of the objectives of this article, but the Board may not intervene in the internal activities of an association except to the extent necessary to prevent or cure violations of this article or of the chapter pursuant to which the association is created. The Board may prescribe forms and procedures for submitting information to the Board.

B. If it appears that any governing board has engaged, is engaging, or is about to engage in any act or practice in violation of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act (§ 55.1-2307 et seq.),* or any of the Board's regulations or orders, the Board without prior administrative proceedings may bring an action in the appropriate court to enjoin that act or practice or for other appropriate relief. The Board is not required to post a bond or prove that no adequate remedy at law exists.

C. The Board may intervene in any action involving a violation by a declarant or a developer of a time-share project of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act (§ 55.1-2307 et seq.),* or any of the Board's regulations or orders.

D. The Board may accept grants-in-aid from any governmental source and may contract with agencies charged with similar functions in this or other jurisdictions in furtherance of the objectives of this article.

E. The Board may cooperate with agencies performing similar functions in this and other jurisdictions to develop uniform filing procedures and forms, uniform disclosure standards, and uniform administrative practices, and may develop information that may be useful in the discharge of the Board's duties.

F. In issuing any cease and desist order, the Board shall state the basis for the adverse determination and the underlying facts.

G. Without limiting the remedies that may be obtained under this article, the Board, without compliance with the Administrative Process Act (§ 2.2-4000 et seq.), shall have the authority to enforce the provisions of this section and may institute proceedings in equity to enjoin any person, partnership, corporation, or any other entity violating this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act (§ 55.1-2307 et seq.),* or any of the Board's regulations or orders. Such proceedings shall be brought in the name of the Commonwealth by the Board in the circuit court or general district court

of the city or county in which the unlawful act occurred or in which the defendant resides.

H. The Board may assess a monetary penalty to be paid to the Common Interest Community Management Information Fund of not more than \$1,000 per violation against any governing board that violates any provision of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), ~~or~~ the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act* (§ 55.1-2307 et seq.), or any of the Board's regulations or orders. In determining the amount of the penalty, the Board shall consider the degree and extent of harm caused by the violation. No monetary penalty may be assessed under this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), ~~or~~ the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act* (§ 55.1-2307 et seq.), or any of the Board's regulations or orders unless the governing board has been given notice and an opportunity to be heard pursuant to the Administrative Process Act (§ 2.2-4000 et seq.). The penalty may be sued for and recovered in the name of the Commonwealth.

§ 54.1-2352. Cease and desist orders.

A. The Board may issue an order requiring the governing board of the association to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the Board will carry out the purposes of this article, if the Board determines after notice and hearing that the governing board of an association has:

1. Violated any statute or regulation of the Board governing the association regulated pursuant to this article, including engaging in any act or practice in violation of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), ~~or~~ the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), *the Resale Disclosure Act* (§ 55.1-2307 et seq.), or any of the Board's regulations or orders;
2. Failed to register as an association or to file an annual report as required by statute or regulation;
3. Materially misrepresented facts in an application for registration or an annual report; or
4. Willfully refused to furnish the Board information or records required or requested pursuant to statute or regulation.

B. If the Board makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, it may issue a temporary order to cease and desist or to take such affirmative action as may be deemed appropriate by the Board. Prior to issuing the temporary order, the Board shall give notice of the proposal to issue a temporary order to the person. Every temporary order shall include in its terms a provision that upon request a hearing will be held promptly to determine whether or not it becomes permanent.

§ 55.1-1800. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Association" means the property owners' association.

"Board of directors" means the executive body of a property owners' association or a committee that is exercising the power of the executive body by resolution or bylaw.

"Capital components" means those items, whether or not a part of the common area, for which the association has the obligation for repair, replacement, or restoration and for which the board of directors determines funding is necessary.

"Common area" means property within a development which is owned, leased, or required by the declaration to be maintained or operated by a property owners' association for the use of its members and designated as a common area in the declaration.

"Common interest community" means the same as that term is defined in § 54.1-2345.

"Common interest community manager" means the same as that term is defined in § 54.1-2345.

"Declarant" means the person or entity signing the declaration and its successors or assigns who may submit property to a declaration.

"Declaration" means any instrument, however denominated, recorded among the land records of the county or city in which the development or any part of such development is located, that either (i) imposes on the association maintenance or operational responsibilities for the common area or (ii) creates the authority in the association to impose on lots, on the owners or occupants of such lots, or on any other entity any mandatory payment of money in connection with the provision of maintenance or services for the benefit of some or all of the lots, the owners or occupants of the lots, or the common area. "Declaration" includes any amendment or supplement to the instruments described in this definition. "Declaration" does not include a declaration of a condominium, real estate cooperative, time-share project, or campground.

"Development" means real property located within the Commonwealth subject to a declaration which contains both lots, at least some of which are residential or are occupied for recreational purposes, and common areas with respect to which any person, by virtue of ownership of a lot, is a member of an association and is obligated to pay assessments provided for in a declaration.

"Disclosure packet update" means an update of the financial information referenced in subdivisions A

2 through 9 of § 55.1-1809. The update shall include a copy of the original disclosure packet.

"Electronic means" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient of such communication. A meeting conducted by electronic means includes a meeting conducted via teleconference, videoconference, Internet exchange, or other electronic methods. Any term used in this definition that is defined in § 59.1-480 of the Uniform Electronic Transactions Act shall have the meaning set forth in such section.

"Financial update" means an update of the financial information referenced in subdivisions A 2 through 7 of § 55.1-1809.

"Lot" means (i) any plot or parcel of land designated for separate ownership or occupancy shown on a recorded subdivision plat for a development or the boundaries of which are described in the declaration or in a recorded instrument referred to or expressly contemplated by the declaration, other than a common area, and (ii) a unit in a condominium association or a unit in a real estate cooperative if the condominium or cooperative is a part of a development.

"Lot owner" means one or more persons who own a lot, including any purchaser of a lot at a foreclosure sale, regardless of whether the deed is recorded in the land records where the lot is located.

"Lot owner" does not include any person holding an interest in a lot solely as security for a debt.

"Professionally managed" means a common interest community that has engaged (i) a common interest community manager to provide management services to the community or (ii) a person as an employee for compensation to provide management services to the community, other than a resident of the community who provides bookkeeping, billing, or recordkeeping services for that community.

"Property owners' association" or "association" means an incorporated or unincorporated entity upon which responsibilities are imposed and to which authority is granted in the declaration.

"Resale certificate" means a certificate issued by an association pursuant to §§ 55.1-2309 and 55.1-2310.

"Settlement agent" means the same as that term is defined in § 55.1-1000.

§ 55.1-1802. Developer to register and file annual report; payment of real estate taxes attributable to the common area.

A. Unless control of the association has been transferred to the members, the developer shall register the association with the Common Interest Community Board within 30 days after recordation of the declaration and thereafter shall ensure that the report required pursuant to § 55.1-1835 and any required update has been filed.

B. Upon the transfer of the common area to the association, the developer shall pay all real estate taxes attributable to the open or common space as defined in § 58.1-3284.1 through the date of the transfer to the association.

§ 55.1-1805. Association charges.

Except as expressly authorized in this chapter, in the declaration, or otherwise provided by law, no association shall (i) make an assessment or impose a charge against a lot or a lot owner unless the charge is a fee for services provided or related to use of the common area or (ii) charge a fee related to the provisions set out in § 55.1-1810 or 55.1-1811 that is not issuance of a resale certificate pursuant to § 55.1-2309 or 55.1-2311 except as expressly authorized in those sections § 55.1-2316. Nothing in this chapter shall be construed to authorize an association or common interest community manager to charge an inspection fee for an unimproved or improved lot except as provided in § 55.1-1810 or 55.1-1811 55.1-2316. The Common Interest Community Board may assess a monetary penalty for a violation of this section against any (a) association pursuant to § 54.1-2351 or (b) common interest community manager pursuant to § 54.1-2349, and may issue a cease and desist order pursuant to § 54.1-2352.

§ 55.1-1816. Meetings of the board of directors.

A. All meetings of the board of directors, including any subcommittee or other committee of the board of directors, where the business of the association is discussed or transacted shall be open to all members of record. The board of directors shall not use work sessions or other informal gatherings of the board of directors to circumvent the open meeting requirements of this section. Minutes of the meetings of the board of directors shall be recorded and shall be available as provided in subsection B of § 55.1-1815.

B. Notice of the time, date, and place of each meeting of the board of directors or of any subcommittee or other committee of the board of directors shall be published where it is reasonably calculated to be available to a majority of the lot owners.

A lot owner may make a request to be notified on a continual basis of any such meetings. Such request shall be made at least once a year in writing and include the lot owner's name, address, zip code, and any email address as appropriate. Notice of the time, date, and place shall be sent to any lot owner requesting notice (i) by first-class mail or email in the case of meetings of the board of directors or (ii) by email in the case of meetings of any subcommittee or other committee of the board of directors.

Notice, reasonable under the circumstances, of special or emergency meetings shall be given contemporaneously with the notice provided to members of the association's board of directors or any

subcommittee or other committee of the board of directors conducting the meeting.

Unless otherwise exempt as relating to an executive session pursuant to subsection C, at least one copy of all agenda packets and materials furnished to members of an association's board of directors or subcommittee or other committee of the board of directors for a meeting shall be made available for inspection by the membership of the association at the same time such documents are furnished to the members of the board of directors or any subcommittee or committee of the board of directors.

Any member may record any portion of a meeting that is required to be open. The board of directors or subcommittee or other committee of the board of directors conducting the meeting may adopt rules (a) governing the placement and use of equipment necessary for recording a meeting to prevent interference with the proceedings and (b) requiring the member recording the meeting to provide notice that the meeting is being recorded.

Except for the election of officers, voting by secret or written ballot in an open meeting shall be a violation of this chapter.

C. The board of directors or any subcommittee or other committee of the board of directors may (i) convene in executive session to consider personnel matters; (ii) consult with legal counsel; (iii) discuss and consider contracts, pending or probable litigation, and matters involving violations of the declaration or rules and regulations adopted pursuant to such declaration for which a member or his family members, tenants, guests, or other invitees are responsible; or (iv) discuss and consider the personal liability of members to the association, upon the affirmative vote in an open meeting to assemble in executive session. The motion shall state specifically the purpose for the executive session. Reference to the motion and the stated purpose for the executive session shall be included in the minutes. The board of directors shall restrict the consideration of matters during such portions of meetings to only those purposes specifically exempted and stated in the motion. No contract, motion, or other action adopted, passed, or agreed to in executive session shall become effective unless the board of directors or subcommittee or other committee of the board of directors, following the executive session, reconvenes in open meeting and takes a vote on such contract, motion, or other action, which shall have its substance reasonably identified in the open meeting. The requirements of this section shall not require the disclosure of information in violation of law.

D. Subject to reasonable rules adopted by the board of directors, the board of directors shall provide a designated period during each meeting to allow members an opportunity to comment on any matter relating to the association. During a meeting at which the agenda is limited to specific topics or at a special meeting, the board of directors may limit the comments of members to the topics listed on the meeting agenda.

§ 55.1-1820. Display of the flag of the United States; necessary supporting structures; affirmative defense.

A. In accordance with the federal Freedom to Display the American Flag Act of 2005 (P.L. 109-243), no association shall prohibit any lot owner from displaying upon property to which the lot owner has a separate ownership interest or a right to exclusive possession or use the flag of the United States whenever such display is in compliance with Chapter 1 of Title 4 of the United States Code (4 U.S.C. § 1 et seq.), or any rule or custom pertaining to the proper display of the flag. The association may, however, establish reasonable restrictions as to the size, place, duration, and manner of placement or display of the flag on such property, provided that such restrictions are necessary to protect a substantial interest of the association.

B. The association may restrict the display of such flag in the common areas.

C. In any action brought by the association under § 55.1-1819 for violation of a flag restriction, the association shall bear the burden of proof that the restrictions as to the size, place, duration, and manner of placement or display of such flag are necessary to protect a substantial interest of the association.

D. In any action brought by the association under § 55.1-1819, the lot owner shall be entitled to assert as an affirmative defense that the required disclosure of any limitations pertaining to the display of flags or any flagpole or similar structure necessary to display such flags was not contained in the disclosure packet resale certificate as required pursuant to by § 55.1-1809 55.1-2310.

§ 55.1-1820.1. Installation of solar energy collection devices.

A. As used in this section, "solar energy collection device" means any device manufactured and sold for the sole purpose of facilitating the collection and beneficial use of solar energy, including passive heating panels or building components and solar photovoltaic apparatus.

B. No association shall prohibit an owner from installing a solar energy collection device on that owner's property unless the recorded declaration for the association establishes such a prohibition. However, an association may establish reasonable restrictions concerning the size, place, and manner of placement of such solar energy collection devices on property designated and intended for individual ownership and use. Any disclosure packet resale certificate issued pursuant to § 55.1-1809 55.1-2309 given to a purchaser shall contain a statement setting forth any restriction, limitation, or prohibition on the right of an owner to install or use solar energy collection devices on his property.

C. A restriction shall be deemed not to be reasonable if application of the restriction to a particular proposal (i) increases the cost of installation of the solar energy collection device by five percent over

the projected cost of the initially proposed installation or (ii) reduces the energy production by the solar energy collection device by 10 percent below the projected energy production of the initially proposed installation. The owner shall provide documentation prepared by an independent solar panel design specialist, who is certified by the North American Board of Certified Energy Practitioners and is licensed in Virginia, that is satisfactory to the association to show that the restriction is not reasonable according to the criteria established in this subsection.

D. The association may prohibit or restrict the installation of solar energy collection devices on the common elements or common area within the real estate development served by the association. An association may establish reasonable restrictions as to the number, size, place, and manner of placement or installation of any solar energy collection device installed on the common elements or common area.

§ 55.1-1822. Use of for sale signs in connection with sale.

Except as expressly authorized in this chapter or in the declaration or as otherwise provided by law, no property owners' association shall require the use of any for sale sign that is (i) an association sign or (ii) a real estate sign that does not comply with the requirements of the Real Estate Board. An association may, however, prohibit the placement of signs in the common area and establish reasonable rules and regulations that regulate (a) the number of real estate signs to be located on real property upon which the owner has a separate ownership interest or a right of exclusive possession, so long as at least one real estate sign is permitted; (b) the geographical location of real estate signs on real property in which the owner has a separate ownership interest or a right of exclusive possession, so long as the location of the real estate signs complies with the requirements of the Real Estate Board; (c) the manner in which real estate signs are affixed to real property; and (d) the period of time after settlement when the real estate signs on such real property shall be removed.

§ 55.1-1823. Designation of authorized representative.

Except as expressly authorized in this chapter or in the declaration or as otherwise provided by law, no property owners' association shall require any lot owner to execute a formal power of attorney if the lot owner designates a person licensed under the provisions of § 54.1-2106.1 as the lot owner's authorized representative, and the association shall recognize such representation without a formal power of attorney, provided that the association is given a written authorization that includes the designated representative's name, contact information, and license number and the lot owner's signature. Notwithstanding the foregoing, the requirements of § 13.1-849 of the Virginia Nonstock Corporation Act (§ 13.1-801 et seq.) and the association's declaration, bylaws, and articles of incorporation shall be satisfied before any such representative may exercise a vote on behalf of a lot owner as a proxy.

§ 55.1-1904. Association charges.

Except as expressly authorized in this chapter, in the condominium instruments, or as otherwise provided by law, no unit owners' association may make an assessment or impose a charge against a unit owner unless the charge is (i) authorized under § 55.1-1964, (ii) a fee for services provided, or (iii) related to the provisions set out in § 55.1-1992 55.1-2316. The Common Interest Community Board may assess a monetary penalty for a violation of this section against any (a) unit owners' association pursuant to § 54.1-2351 or (b) common interest community manager pursuant to § 54.1-2349 and may issue a cease and desist order pursuant to § 54.1-2352.

§ 55.1-1937. Termination of condominium.

A. If there is no unit owner other than the declarant, the declarant may unilaterally terminate the condominium. An instrument terminating a condominium signed by the declarant is effective upon recordation of such instrument. But this section shall not be construed to nullify, limit, or otherwise affect the validity or enforceability of any agreement renouncing or to renounce, in whole or in part, the right hereby conferred.

B. Except in the case of a taking of all the units by eminent domain, if any of the units in the condominium is restricted exclusively to residential use and there is any unit owner other than the declarant, the condominium may be terminated only by the agreement of unit owners of units to which four-fifths of the votes in the unit owners' association appertain, or such larger majority as the condominium instruments may specify. If none of the units in the condominium is restricted exclusively to residential use, the condominium instruments may specify a majority smaller than the minimum specified in this subsection.

C. Agreement of the required majority of unit owners to termination of the condominium shall be evidenced by their execution of a termination agreement, or ratifications of such agreement, and such agreement is effective when a copy of the termination agreement is recorded together with a certification, signed by the principal officer of the unit owners' association or by such other officer as the condominium instruments may specify, that the requisite majority of the unit owners signed the termination agreement or ratifications. Unless the termination agreement otherwise provides, prior to recordation of the termination agreement, a unit owner's prior agreement to terminate the condominium may be revoked only with the approval of unit owners of units to which a majority of the votes in the unit owners' association appertain. Any unit owner acquiring a unit subsequent to approval of a termination agreement but prior to recordation of the termination agreement shall be deemed to have consented to the termination agreement. Upon approval of a termination agreement and until recordation

of the termination agreement, a copy of the termination agreement shall be included with the resale certificate required by § ~~55.1-1990~~ 55.1-2309. The termination agreement shall specify a date after which the termination agreement is void if the termination agreement is not recorded. For the purposes of this section, an instrument terminating a condominium and any ratification of such instrument shall be deemed a condominium instrument subject to the provisions of § 55.1-1911.

D. A termination agreement may provide that all of the common elements and units of the condominium shall be sold or otherwise disposed of following termination. If, pursuant to the termination agreement, any property in the condominium is sold or disposed of following termination, the termination agreement shall set forth the minimum terms of the sale or disposition.

E. In the case of a master condominium that contains a unit that is a part of another condominium, a termination agreement for the master condominium shall not terminate the other condominium.

F. On behalf of the unit owners, the unit owners' association may contract for the disposition of property in the condominium, but the contract shall not be binding on the unit owners until approved pursuant to subsections B and C. If the termination agreement requires that any property in the condominium be sold or otherwise disposed of following termination, title to the property, upon termination, shall vest in the unit owners' association as trustee for the holders of all interest in the units. Thereafter, the unit owners' association shall have powers necessary and appropriate to effect the sale or disposition. Until the termination has been concluded and the proceeds have been distributed, the unit owners' association shall continue in existence with all the powers the unit owners' association had before termination. Proceeds of the sale shall be distributed to unit owners and lien holders as their interests may appear, in proportion to the respective interests of the unit owners as provided in subsection I. Unless otherwise specified in the termination agreement, for as long as the unit owners' association holds title to the property, each unit owner or his successor in interest shall have an exclusive right to occupancy of the portion of the property that formerly constituted his unit. During the period that the unit owner or his successor in interest has the right to occupancy, each unit owner or his successor in interest shall remain liable for any assessment or other obligation imposed on the unit owner by this chapter or the condominium instruments.

G. If the property that constitutes the condominium is not sold or otherwise disposed of following termination, title to all the property in the condominium shall vest in the unit owners, upon termination, as tenants in common in proportion to the unit owners' respective interests as provided in subsection I. In such an event, any liens on a unit shall shift accordingly, and a lien may be enforced only against a unit owner's tenancy in common interest, but the lien shall not encumber the entire property formerly constituting the condominium. While the tenancy in common exists, each unit owner or his successor in interest shall have the exclusive right to occupancy of the portion of the property that formerly constituted the unit owner's unit.

H. Following termination of the condominium, the proceeds of any sale of property, together with the assets of the unit owners' association, shall be held by the unit owners' association as trustee for unit owners or lien holders on the units as their interests may appear. Following termination, any creditor of the unit owners' association who holds a lien on the unit that was recorded before termination may enforce the lien in the same manner as any lien holder. Any other creditor of the unit owners' association shall be treated as if he had perfected a lien on the units immediately before termination.

I. Unless the condominium instruments as originally recorded or as amended by 100 percent of the unit owners provide otherwise, the respective interests of unit owners referred to in subsections F, G, and H shall be as follows:

1. Except as provided in subdivision 3, the respective interests of the unit owners shall be as set forth in the termination agreement.

2. Except as provided in subdivision 3, if the respective interests of the unit owners are based on the respective fair market values of their units, limited common elements, and common element interests immediately before the termination, the fair market values shall be determined by one or more independent appraisers selected by the unit owners' association. The decision of the independent appraisers shall be distributed to the unit owners and become final unless disapproved within 30 days after distribution by unit owners of units to which one quarter of the votes in the unit owners' association appertain. The proportion of any unit owner's interest to the interest of all unit owners is determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all the units and their common element interests.

3. If the method of determining the respective interests of the unit owners in the proceeds of sale or disposition is other than the fair market values, then the association shall provide each unit owner with a notice stating the result of that method for his unit and, no later than 30 days after transmission of that notice, if 10 percent of the unit owners dispute the interest to be distributed to their units, those unit owners may require the association to obtain an independent appraisal of the condominium units. If the fair market value of the units of the objecting unit owners is at least 10 percent more than the amount that the unit owners would have received using the method agreed upon by the membership, then the association shall adjust the respective interests of the unit owners so that each unit owner's share is based on the fair market value for each unit. If the fair market value is less than 10 percent more than

the amount that the objecting unit owners would have received using the agreed-upon method, then the agreed-upon method shall be implemented and the objecting unit owners shall receive the distribution less their pro rata share of the cost of their appraisal.

4. If the method of determining the respective interests of the unit owners cannot be implemented because any unit or limited common element is destroyed, the interests of all unit owners are the unit owners' respective common element interests immediately before the termination.

5. Unless the termination agreement provides otherwise, each unit owner shall satisfy and cause the release of any mortgage, deed of trust, lease, or other lien or encumbrance on his unit at the time required by the termination agreement.

J. Except as provided in subsection K, foreclosure of any mortgage, deed of trust, or other lien, or enforcement of a mortgage, deed of trust, or other lien or encumbrance against the entire condominium, shall not alone terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the condominium, other than withdrawable land, shall not withdraw that portion from the condominium. Foreclosure or enforcement of a lien or encumbrance against withdrawable land shall not alone withdraw the land from the condominium, but the person who takes title to the withdrawable land shall have the right to require from the unit owners' association, upon request, an amendment that excludes the land from the condominium.

K. If a lien or encumbrance against a portion of the property that comprises the condominium has priority over the condominium instruments and the lien or encumbrance has not been partially released, upon foreclosure, the parties foreclosing the lien or encumbrance may record an instrument that excludes the property subject to the lien or encumbrance from the condominium.

§ 55.1-1951. Display of the flag of the United States; necessary supporting structures; affirmative defense.

A. In accordance with the federal Freedom to Display the American Flag Act of 2005 (P.L. 109-243), no unit owners' association shall prohibit or otherwise adopt or enforce any policy restricting a unit owner from displaying upon property to which the unit owner has a separate ownership interest or a right to exclusive possession or use the flag of the United States whenever such display is in compliance with Chapter 1 of Title 4 of the United States Code (4 U.S.C. § 1 et seq.) or any rule or custom pertaining to the proper display of the flag. A unit owners' association may, however, establish reasonable restrictions as to the size, place, duration, and manner of placement or display of the flag on such property, provided that such restrictions are necessary to protect a substantial interest of the unit owners' association.

B. The unit owners' association may restrict the display of such flags in the common elements.

C. In any action brought by the unit owners' association under § 55.1-1959 for a violation of a flag restriction, the unit owners' association shall bear the burden of proof that the restrictions as to the size, place, duration, and manner of placement or display of such flag are necessary to protect a substantial interest of the unit owners' association.

D. In any action brought by the unit owners' association under § 55.1-1959, the unit owner shall be entitled to assert as an affirmative defense that the required disclosure of any limitation pertaining to the flag of the United States or any flagpole or similar structure necessary to display the flag of the United States was not contained in the public offering statement or resale certificate, as appropriate, required pursuant to § 55.1-1976 or ~~55.1-1994~~ 55.1-2309.

§ 55.1-1951.1. Installation of solar energy collection devices.

A. As used in this section, "solar energy collection device" means any device manufactured and sold for the sole purpose of facilitating the collection and beneficial use of solar energy, including passive heating panels or building components and solar photovoltaic apparatus.

B. No unit owners' association shall prohibit an owner from installing a solar energy collection device on that owner's property unless the recorded declaration for the unit owners' association establishes such a prohibition. However, a unit owners' association may establish reasonable restrictions concerning the size, place, and manner of placement of such solar energy collection devices on property designated and intended for individual ownership and use. Any resale certificate pursuant to § ~~55.1-1990~~ 55.1-2309 given to a purchaser shall contain a statement setting forth any restriction, limitation, or prohibition on the right of an owner to install or use solar energy collection devices on his property.

C. A restriction shall be deemed not to be reasonable if application of the restriction to a particular proposal (i) increases the cost of installation of the solar energy collection device by five percent over the projected cost of the initially proposed installation or (ii) reduces the energy production by the solar energy collection device by 10 percent below the projected energy production of the initially proposed installation. The owner shall provide documentation prepared by an independent solar panel design specialist, who is certified by the North American Board of Certified Energy Practitioners and is licensed in Virginia, that is satisfactory to the unit owners' association to show that the restriction is not reasonable according to the criteria established in this subsection.

D. The unit owners' association may prohibit or restrict the installation of solar energy collection devices on the common elements or common area within the real estate development served by the unit owners' association. A unit owners' association may establish reasonable restrictions as to the number,

size, place, and manner of placement or installation of any solar energy collection device installed on the common elements or common area.

§ 55.1-1972. Exemptions from certain provisions of article.

A. Unless the method of offer or disposition is adopted for the purpose of evasion of this chapter, the provisions of §§ 55.1-1974 through 55.1-1979, subsections B and D of § 55.1-1982, and §§ ~~55.1-1990 and 55.1-1991~~ *55.1-2308 and 55.1-2309* do not apply to:

1. Dispositions pursuant to court order;
2. Dispositions by any government or government agency;
3. Offers by the declarant on nonbinding reservation agreements;
4. Dispositions in a residential condominium in which there are three or fewer units, so long as the condominium instruments do not reserve to the declarant the right to create additional condominium units; or
5. A disposition of a unit by a sale at an auction where a current public offering statement or resale certificate was made available as part of an auction package for prospective purchasers prior to the auction sale.

B. In cases of dispositions in a condominium where all units are restricted to nonresidential use, the provisions of §§ 55.1-1974 through 55.1-1983 shall not apply, unless the method of offer or disposition is adopted for the purpose of evasion of this chapter.

§ 55.1-2101. Applicability.

A. This chapter applies to all cooperatives created within the Commonwealth after July 1, 1982. Unless the declaration provides that the entire chapter is applicable, such a cooperative is subject only to §§ 55.1-2104 and 55.1-2105 if the cooperative contains only units restricted to nonresidential use or contains no more than three units and is not subject to any development rights.

B. Except as provided in subsection C, §§ 55.1-2100, 55.1-2104, 55.1-2105, 55.1-2109, 55.1-2114, and 55.1-2131, subdivisions A 1 through 6 and 11 through 17 of § 55.1-2133, and §§ 55.1-2143, 55.1-2148, 55.1-2151, ~~55.1-2161~~, 55.1-2169, and 55.1-2170, *and 55.1-2309* apply to all cooperatives created in the Commonwealth before July 1, 1982. Those sections apply only with respect to events and circumstances occurring after July 1, 1982, and do not invalidate existing provisions of the cooperative documents of those cooperatives. With regard to any cooperative created before July 1, 1982, § 55.1-2104 applies only to real estate acquired by that cooperative's association on or after that date. For the purposes of this section, a cooperative was created before July 1, 1982, if the cooperative was conveyed to the association before that date.

C. If a cooperative created within the Commonwealth before July 1, 1982, contains no more than three units and is not subject to any development rights, it is subject only to §§ 55.1-2104 and 55.1-2105, unless the declaration is amended to make any or all of the sections enumerated in subsection B apply to that cooperative.

D. This chapter does not apply to cooperatives or cooperative interests located outside the Commonwealth, but the public offering statement provisions as given in §§ 55.1-2153 through 55.1-2160 apply to all contracts for the disposition of cooperative interests signed in the Commonwealth by any party, unless exempt under subsection B of § 55.1-2153. The Common Interest Community Board regulations provisions under Article 5 (§ 55.1-2173 et seq.) apply to any such offering in the Commonwealth.

E. This chapter does not apply to any cooperatives that receive federal funding pursuant to the public housing or Section 8 program under the United States Housing Act of 1937, as amended.

F. This chapter does not apply to any cooperative that, when acquired by an association, is subject to a mortgage or deed of trust securing an indebtedness owed to any government or governmental authority to which the association has contractual obligations in addition to those set forth in such mortgage or deed of trust.

§ 55.1-2133. Powers of the association.

A. Except as provided in subsection B, and subject to the provisions of the declaration, the association, even if unincorporated, may:

1. Adopt and amend bylaws and rules and regulations;
2. Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from proprietary lessees;
3. Hire and discharge managing agents and other employees, agents, and independent contractors;
4. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more proprietary lessees on matters affecting the cooperative;
5. Make contracts and incur liabilities;
6. Regulate the use, maintenance, repair, replacement, and modification of common elements;
7. Cause additional improvements to be made as a part of the common elements;
8. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but part of the cooperative may be conveyed, or all or part of the cooperative may be subjected to, a security interest only pursuant to § 55.1-2144;
9. Grant easements, leases, licenses, and concessions through or over the common elements;

10. Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements described in subdivisions 2 and 4 of § 55.1-2113, and for services provided to proprietary lessees;

11. Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy fines not to exceed \$50 for each instance for violations of the declaration, bylaws, and rules and regulations of the association;

12. Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required by ~~§ 55.1-2164~~ 55.1-2309, or statements of unpaid assessments;

13. Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance;

14. Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration expressly so provides;

15. Exercise any other powers conferred by the declaration or bylaws;

16. Exercise all other powers that may be exercised in the Commonwealth by legal entities of the same type as the association; and

17. Exercise any other powers necessary and proper for the governance and operation of the association.

B. The declaration shall not impose limitations on the power of the association to deal with the declarant that are more restrictive than the limitations imposed on the power of the association to deal with other persons.

§ 55.1-2133.1. Installation of solar energy collection devices.

A. As used in this section, "solar energy collection device" means any device manufactured and sold for the sole purpose of facilitating the collection and beneficial use of solar energy, including passive heating panels or building components and solar photovoltaic apparatus.

B. No association shall prohibit an owner from installing a solar energy collection device on that owner's property unless the recorded declaration for the association establishes such a prohibition. However, an association may establish reasonable restrictions concerning the size, place, and manner of placement of such solar energy collection devices on property designated and intended for individual ownership and use. Any resale certificate pursuant to ~~§ 55.1-2164~~ 55.1-2309 given to a purchaser shall contain a statement setting forth any restriction, limitation, or prohibition on the right of an owner to install or use solar energy collection devices on his property.

C. A restriction shall be deemed not to be reasonable if application of the restriction to a particular proposal (i) increases the cost of installation of the solar energy collection device by five percent over the projected cost of the initially proposed installation or (ii) reduces the energy production by the solar energy collection device by 10 percent below the projected energy production of the initially proposed installation. The owner shall provide documentation prepared by an independent solar panel design specialist, who is certified by the North American Board of Certified Energy Practitioners and is licensed in Virginia, that is satisfactory to the association to show that the restriction is not reasonable according to the criteria established in this subsection.

D. The association may prohibit or restrict the installation of solar energy collection devices on the common elements or common area within the real estate development served by the association. An association may establish reasonable restrictions as to the number, size, place, and manner of placement or installation of any solar energy collection device installed on the common elements or common area.

§ 55.1-2151. Association records.

The association shall keep financial records sufficiently detailed to enable the association to comply with ~~§ 55.1-2164~~ 55.1-2309. All financial and other records shall be made reasonably available for examination by any proprietary lessee and his authorized agents.

§ 55.1-2162. Escrow of deposits.

A. Any deposit made in connection with the purchase or reservation of a cooperative interest from a person required to deliver a public offering statement pursuant to subsection C of § 55.1-2154 shall be placed in escrow and held either in the Commonwealth or in the state in which the unit that is a part of that cooperative interest is located in an account designated solely for that purpose by a title insurance company, attorney, or real estate broker licensed under the laws of the Commonwealth, an independent bonded escrow company, or an institution whose accounts are insured by a governmental agency or instrumentality until (i) delivered to the declarant at closing, (ii) delivered to the declarant because of the purchaser's default under a contract to purchase the cooperative interest, or (iii) refunded to the purchaser.

B. Any deposit made in connection with the purchase of a cooperative interest from a person not required to deliver a public offering statement shall be placed in escrow in the same manner as prescribed in subsection A. Upon receipt of the *resale* certificate called for in ~~§ 55.1-2164~~ 55.1-2309, should the purchaser elect to void the contract, the seller may deduct the actual charges by the association for preparation of the certificate. Otherwise, the deposit shall be promptly returned to the purchaser.

RESALE DISCLOSURE ACT.

§ 55.1-2307. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Agent" means the authorized agent designated by the purchaser or seller in a ratified real estate contract, listing agreement, or other writing designating such agent.

"Association" means an association created pursuant to the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), or the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or a council of co-owners created pursuant to the Horizontal Property Act (§ 55.1-2000 et seq.).

"Board" means the board of directors or executive board, of an association, except that in the case of a horizontal property regime created pursuant to the Horizontal Property Act (§ 55.1-2000 et seq.), "board" means the council of co-owners.

"Common interest community" means a condominium created pursuant to the Virginia Condominium Act (§ 55.1-1900 et seq.) or the Horizontal Property Act (§ 55.1-2000 et seq.), a cooperative created pursuant to the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or a property owners' association subject to the Property Owners' Association Act (§ 55.1-1800 et seq.).

"Days" means calendar days.

"Declarant" means the same as that term is defined in §§ 55.1-1800 and 55.1-1900.

"Financial update" means updated financial information for the unit, including information required by subdivisions A 4 and 5 of § 55.1-2310.

"Governing documents" means, to the extent applicable, the declaration, bylaws, organizing articles, and any other foundational documents of the association and all amendments to such documents.

"Limited elements" means the limited common elements appurtenant to a condominium unit or cooperative unit or the limited common area appurtenant to a lot.

"Managing agent" means a licensee who performs management services as defined in § 54.1-2345.

"Purchaser" means the person or entity acquiring the unit.

"Ratified real estate contract" or "contract" means the contract to purchase the unit and any addenda to such contract.

"Resale certificate" means the information listed in § 55.1-2310.

"Rules and regulations" means restrictions or limitations adopted by the board or authorized committee addressing the use, operation, appearance, or design of a portion of the common interest community.

"Seller" means the person or entity selling the unit.

"Settlement agent" means the same as that term is defined in § 55.1-1000.

"Unit" means a condominium unit in a condominium, a cooperative unit in a real estate cooperative, or a lot in a community governed by an association.

"Updated resale certificate" means an update of the resale certificate referenced in § 55.1-2311.

§ 55.1-2308. Contract for resale; disclosures.

Unless exempt pursuant to § 55.1-2317, any contract for the resale of a unit in a common interest community shall disclose (i) that the unit is located in a common interest community; (ii) that the seller is required to obtain from the association a resale certificate and provide it to the purchaser; (iii) the purchaser's right to cancel the contract pursuant to § 55.1-2312; (iv) that the purchaser may request an updated resale certificate pursuant to § 55.1-2311; and (v) that the purchaser's right to receive the resale certificate and the right to cancel the contract are waived conclusively if not exercised before settlement. If the contract does not contain the disclosures required by this section, the purchaser's sole remedy is to cancel the contract prior to settlement.

§ 55.1-2309. Resale certificate; delivery.

A. The seller shall be required to obtain the resale certificate from the association and provide such resale certificate to the purchaser.

B. Unless exempt pursuant to § 55.1-2317, the association, the association's managing agent, or any third party preparing the resale certificate on behalf of the association shall deliver such resale certificate within 14 days after a written request by a seller or seller's agent.

C. The association, association's managing agent, or any third party preparing the resale certificate on behalf of the association shall deliver the resale certificate to the seller, or to such person as the seller may direct, either printed or in a generally accepted electronic format as the seller may request.

D. The information contained in the resale certificate shall be current as of a date specified on the resale certificate. The seller or purchaser may request an updated resale certificate as provided in § 55.1-2311.

§ 55.1-2310. Resale certificate; form and contents.

A. The association shall include the completed resale certificate form, developed by the common interest community board pursuant to subdivision 3 of § 54.1-2350, with supporting documentation set out in the following order:

1. The name, address, and phone numbers of the preparer of the resale certificate and any managing agent of the association;

2. A copy of the governing documents and any rules and regulations of the association;
3. A statement disclosing any restraint on the alienability of the unit for which the resale certificate is being issued;
4. A statement of the amount and payment schedules of assessments and any unpaid assessments currently due and payable to the association;
5. A statement of any other fees due and payable by an owner of the unit;
6. A statement of any other entity or facility to which the owner of the unit being sold may be liable for assessments, fees, or other charges due to the ownership of the unit;
7. A statement of the amount and payment schedule of any approved additional or special assessment and any unpaid additional or special assessment currently due and payable;
8. A statement of any capital expenditures approved by the association for the current and succeeding fiscal years;
9. A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any specified projects;
10. The most recent balance sheet and income and expense statement, if any, of the association;
11. The current operating budget of the association;
12. The current reserve study, or a summary of such study;
13. A statement of any unsatisfied judgments against the association and the nature and status of any pending actions in which the association is a party and that could have a material impact on the association, the owners, or the unit being sold;
14. A statement describing any insurance coverage provided by the association for the benefit of the owners, including fidelity coverage, and any insurance coverage recommended or required to be obtained by the owners;
15. A statement as to whether the board has given or received written notice that any existing uses, occupancies, alterations, or improvements in or to the unit being sold or to the limited elements assigned thereto violate any provision of the governing documents or rules and regulations together with copies of any notices provided;
16. A statement as to whether the board has received written notice from a governmental agency of any violation of environmental, health, or building codes with respect to the unit being sold, the limited elements assigned thereto, or any other portion of the common interest community that has not been cured;
17. A copy of any approved minutes of meetings of the board held during the last six months;
18. A copy of any approved or draft minutes of the most recent association meeting;
19. A statement of the remaining term of any leasehold estate affecting a common area or common element, as those terms are defined in §§ 55.1-1800, 55.1-1900, and 55.1-2100, in the common interest community and the provisions governing any extension or renewal of such leasehold;
20. A statement of any limitation in the governing documents on the number or age of persons who may occupy a unit as a dwelling;
21. A statement setting forth any restriction, limitation, or prohibition on the right of an owner to display the flag of the United States, including reasonable restrictions as to the size, time, place, and manner of placement or display of such flag;
22. A statement setting forth any restriction, limitation, or prohibition on the right of an owner to install or use solar energy collection devices on the owner's unit or limited element;
23. A statement setting forth any restriction, limitation, or prohibition on the size, placement, or duration of display of political, for sale, or any other signs on the property;
24. A statement identifying any parking or vehicle restriction, limitation, or prohibition in the governing documents or rules and regulations;
25. A statement setting forth any restriction, limitation, or prohibition on the operation of a home-based business that otherwise complies with all applicable local ordinances;
26. A statement setting forth any restriction, limitation, or prohibition on an owner's ability to rent the unit;
27. In a cooperative, an accountant's statement, if any was prepared, as to the deductibility for federal income tax purposes by the owner of real estate taxes and interest paid by the association;
28. A statement describing any pending sale or encumbrance of common elements;
29. A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies; and
30. Certification that the association has filed with the Common Interest Community Board the annual report required by law, which certification shall indicate the filing number assigned by the Common Interest Community Board and the expiration date of such filing.

§ 55.1-2311. Updated resale certificate.

A. If a resale certificate was issued more than 30 days but less than 12 months before settlement, the seller or the purchaser, upon proof of being the contract purchaser of the unit, may request an updated resale certificate. The updated resale certificate shall be delivered to the person requesting it, or as such person may direct, in the format requested. The updated resale certificate shall be delivered within

10 days after the written request.

B. The updated resale certificate shall contain current information for all items that may have changed from the original resale certificate or a statement that there are no changes.

C. A settlement agent authorized by the seller or purchaser may request a financial update and the association shall provide such information within three business days after the written request.

§ 55.1-2312. Cancellation of contract by purchaser.

A. The purchaser may cancel the contract:

1. Within three days, or up to seven days if extended by the ratified real estate contract, after the ratification date of the contract if the purchaser receives the resale certificate, whether or not complete pursuant to § 55.1-2310, or a notice that the resale certificate is unavailable on or before the date that the contract is ratified;

2. Within three days, or up to seven days if extended by the ratified real estate contract, from the date the purchaser receives the resale certificate, whether or not complete pursuant to § 55.1-2310, or a notice that the resale certificate is unavailable if delivery occurs after the contract is ratified; or

3. At any time prior to settlement if the resale certificate is not delivered to the purchaser.

B. Written notice of cancellation shall be provided to the seller in accordance with the terms of the contract. The purchaser shall have the burden to demonstrate delivery of the notice of cancellation.

C. If the unit is governed by more than one association, the timeframe for the purchaser's right of cancellation shall run from the date of delivery of the last resale certificate.

D. Cancellation shall be without penalty, and the seller shall cause any deposit or escrowed funds to be returned promptly to the purchaser.

§ 55.1-2313. Liability for resale certificate.

A. A seller providing a resale certificate pursuant to § 55.1-2310 or 55.1-2311 shall not be liable to the purchaser for any erroneous information provided by the association and included in the certificate or for the failure or delay of the association to provide the resale certificate in a timely manner.

B. A purchaser shall not be liable for any unpaid assessment or fee greater than the amount set forth in the resale certificate, updated resale certificate, or financial update. The association shall, as to the purchaser, be bound by the information provided in the resale certificate or updated resale certificate as to the amounts of current assessments, including any approved special or additional assessments, and any violation of the governing documents or rules and regulations as of the date of the resale certificate, updated resale certificate, or financial update unless the purchaser had actual knowledge that the contents of the resale certificate were in error.

§ 55.1-2314. Failure to provide resale certificate; no waiver.

A. If an association, the association's managing agent, or any third party preparing a resale certificate fails to comply with § 55.1-2310 or 55.1-2311, the purchaser shall not be required to pay any delinquent assessments or remedy any violation of the governing documents or rules and regulations existing as of the date of the resale certificate or updated resale certificate. The association may only enforce a violation incurred by a previous owner against a purchaser if (i) such violation has been properly noted in the resale certificate or updated resale certificate or (ii) the seller failed to provide the resale certificate to the purchaser as required by § 55.1-2309.

B. The purchaser shall abide by the governing documents and rules and regulations as to all matters arising after acquiring the unit regardless of whether such purchaser received a resale certificate.

C. The preparer of the resale certificate or updated resale certificate shall be liable to the seller in an amount equal to the actual damages sustained by the seller in an amount not to exceed \$1,000.

D. The Common Interest Community Board may assess a monetary penalty for failure to deliver the resale certificate or updated resale certificate as required against any (i) association pursuant to § 54.1-2351 or (ii) common interest community manager pursuant to § 54.1-2349 and regulations promulgated thereto, and may issue a cease and desist order pursuant to § 54.1-2349 or 54.1-2352.

§ 55.1-2315. Properties subject to more than one declaration.

If the unit is subject to more than one common interest community, each association, the association's managing agent, or any third party preparing a resale certificate on behalf of an association shall provide a resale certificate for that association and may charge the appropriate fees.

§ 55.1-2316. Resale certificate; fees.

A. An association may charge a post-closing fee and fees for preparation, delivery, and expedited delivery of a resale certificate, an updated resale certificate, or financial update and for the inspection of a unit performed to prepare the resale certificate or updated resale certificate. Unless provided otherwise by the association, the appropriate fees shall be paid when the resale certificate, updated resale certificate, or financial update is requested. The seller shall be responsible for all fees associated with the preparation and delivery of the resale certificate, including any fees for inspection of the unit. The requesting party shall pay any fees for the preparation and delivery of the updated resale certificate or financial update.

B. The Common Interest Community Board shall establish the maximum fees that the association may charge for such post-closing and preparation, delivery, and inspection; such maximum fees shall be commercially reasonable and consistent with the effort required to comply with the resale certificate

requirements. The maximum allowable fees, as published by the Common Interest Community Board and effective as of January 12, 2023, shall be adjusted no less than every five years, as of January 1 of that year, in an amount not less than the annual increases for that five-year period in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor or an equivalent successor index.

C. The association shall publish and make available a schedule of the applicable fees (i) for preparation and delivery of the resale certificate, updated resale certificate, and financial update; (ii) for the inspection of a unit; and (iii) related to any post-closing costs.

D. A post-closing fee to be collected at settlement may be imposed on the purchaser of the property for the purpose of establishing the purchaser as the owner of the property in the records of the association.

E. No association may collect fees authorized by this section unless the association (i) is registered with the Common Interest Community Board; (ii) is current in filing the most recent annual report and fee with the Common Interest Community Board pursuant to § 55.1-1835; (iii) is current in paying any assessment made by the Common Interest Community Board pursuant to § 54.1-2354.5; and (iv) provides the option to receive the disclosure packet electronically.

§ 55.1-2317. Exemptions.

A. The resale certificate required by this chapter need not be provided in the case of:

1. An initial disposition by a declarant;
2. A disposition of a unit by gift;
3. A disposition of a unit pursuant to court order if the court so directs;
4. A disposition of a unit by foreclosure or deed in lieu of foreclosure;
5. A disposition of a unit by a sale at auction, when the resale certificate was made available as part of the auction package for prospective purchasers prior to the auction; or
6. A disposition of a unit in a common interest community containing no residential units.

B. In any transaction in which a resale certificate is required and a trustee acts as the seller in the sale or resale of a unit, the trustee shall obtain the resale certificate from the association and provide the resale certificate to the purchaser.

2. That Article 2 (§§ 55.1-1808 through 55.1-1814) of Chapter 18 and Article 5 (§§ 55.1-1990 through 55.1-1995) of Chapter 19 of Title 55.1 and § 55.1-2161 of the Code of Virginia are repealed.

3. That the provisions of this act shall not apply to any contract ratified prior to July 1, 2023.

1 **Common Interest Community Board**

2 **Resale Disclosure Act Amendments**

3 **Common Interest Community Manager Regulations (18VAC48-50)**

4 **18VAC48-50-140. Grounds for disciplinary action.**

5 A. The board may place a regulant on probation, impose a monetary penalty in accordance
6 with § 54.1-202 A of the Code of Virginia, or revoke, suspend or refuse to renew any license or
7 certificate when the regulant has been found to have violated or cooperated with others in
8 violating any provisions of the regulations of the board or Chapter 23.3 (§ 54.1-2345 et seq.) of
9 Title 54.1 of the Code of Virginia.

10 B. In accordance with § 55.1-2314 D of the Code of Virginia, the board may assess a
11 monetary penalty or issue a cease and desist order against a common interest community
12 manager for failure to deliver a resale certificate or updated resale certificate as required by
13 Chapter 23.1 (§ 55.1-2307 et seq.) of Title 55.1 of the Code of Virginia.

14 **18VAC48-50-190. Prohibited acts.**

15 The following acts are prohibited and any violation may result in disciplinary action by the
16 board:

17 1. Violating, inducing another to violate, or cooperating with others in violating any of the
18 provisions of any of the regulations of the board; Chapter 23.3 (§ 54.1-2345 et seq.) of
19 Title 54.1 of the Code of Virginia; or Chapter 18 (§ 55.1-1800 et seq.), Chapter 19
20 (§ 55.1-1900 et seq.), ~~or~~ Chapter 21 (§ 55.1-2100 et seq.), or Chapter 23.1 (§ 55.1-2307
21 et seq.) of Title 55.1 of the Code of Virginia or engaging in any acts enumerated in
22 §§ 54.1-102 and 54.1-111 of the Code of Virginia.

23 2. Allowing a license or certificate issued by the board to be used by another.

- 24 3. Obtaining or attempting to obtain a license or certificate by false or fraudulent
25 representation, or maintaining, renewing, or reinstating a license or certificate by false or
26 fraudulent representation.
- 27 4. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any
28 offense or violation enumerated in 18VAC48-50-180.
- 29 5. Failing to inform the board in writing within 30 days that the regulant was convicted,
30 found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in
31 18VAC48-50-180.
- 32 6. Failing to report a change as required by 18VAC48-50-150 or 18VAC48-50-170.
- 33 7. The intentional and unjustified failure to comply with the terms of the management
34 contract, operating agreement, or association governing documents.
- 35 8. Engaging in dishonest or fraudulent conduct in providing management services.
- 36 9. Failing to satisfy any judgments or restitution orders entered by a court or arbiter of
37 competent jurisdiction.
- 38 10. Egregious or repeated violations of generally accepted standards for the provision of
39 management services.
- 40 11. Failing to handle association funds in accordance with the provisions of § 54.1-2353
41 A of the Code of Virginia or 18VAC48-50-160.
- 42 12. Failing to account in a timely manner for all money and property received by the
43 regulant in which the association has or may have an interest.
- 44 13. Failing to disclose to the association material facts related to the association's
45 property or concerning management services of which the regulant has actual
46 knowledge.

47 14. Failing to provide complete records related to the association's management
48 services to the association within 30 days of any written request by the association or
49 within 30 days of the termination of the contract unless otherwise agreed to in writing by
50 both the association and the common interest community manager.

51 15. Failing upon written request of the association to provide books and records such
52 that the association can perform pursuant to §§ 55.1-1815 (Property Owners'
53 Association Act), 55.1-1945 (Virginia Condominium Act), and 55.1-2151 (Virginia Real
54 Estate Cooperative Act) of the Code of Virginia.

55 16. Commingling the funds of any association by a principal, his employees, or his
56 associates with the principal's own funds or those of his firm.

57 17. Failing to act in providing management services in a manner that safeguards the
58 interests of the public.

59 18. Advertising in any name other than the name in which licensed.

60 19. Failing to make use of a legible, written contract clearly specifying the terms and
61 conditions of the management services to be performed by the common interest
62 community manager. The contract shall include the following:

- 63 a. Beginning and ending dates of the contract;
- 64 b. Cancellation rights of the parties;
- 65 c. Record retention and distribution policy;
- 66 d. A general description of the records to be kept and the bookkeeping system to be
67 used; and
- 68 e. The common interest community manager's license number.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion and are not to be construed as regulation or official Board position.
DRAFT AGENDA

69 20. Performing management services or accepting payments prior to the signing of the
70 contract by an authorized official of the licensed firm and the client or the client's
71 authorized agent.

72 **Common Interest Community Association Registration Regulations (18VAC48-60)**

73 **18VAC48-60-14. Association registration, generally.**

74 A. Within the meaning and intent of § 54.1-2349 A 8 of the Code of Virginia, an association
75 is registered upon acceptance by the board of an annual report and issuance of a certificate of
76 filing by the board in accordance with 18VAC48-60-15 and 18VAC48-60-17.

77 ~~B. In accordance with §§ 55.1-1808 and 55.1-1990 of the Code of Virginia, for an~~
78 ~~association governing a condominium or for any property owners' association that does not~~
79 ~~have a current registration with the board in accordance with §§ 55.1-1835 and 55.1-1980 of the~~
80 ~~Code of Virginia, the disclosure packet or resale certificate, as applicable, is deemed not~~
81 ~~available.~~

82 C.B. In accordance with § 55.1-2316 E of the Code of Virginia, A a property owners'
83 association that is not (i) registered with the board, (ii) current in filing the most recent annual
84 report with the board, and (iii) current in paying any assessment made by the board pursuant to
85 § 54.1-2354.5 of the Code of Virginia is prohibited from collecting fees for ~~disclosure packets~~
86 ~~resale certificates~~ authorized by ~~§§ 55.1-1810 and 55.1-1811~~ § 55.1-2316 of the Code of
87 Virginia.

88 ~~D.C.~~ In accordance with §§ 54.1-2351 and 54.1-2352 of the Code of Virginia, the board may
89 take action against the governing board of an association that fails to register in accordance
90 with this chapter, which action may include issuance of a cease and desist order and an
91 affirmative order to file an annual report or assessment of a monetary penalty of not more than
92 \$1,000.

Commented [HJ(1): Subsection E of § 55.1-2316 states "[n]o association may collect fees..." authorized by the section, but under romanette *ii* only references § 55.1-1835, which is the annual report filing requirement in the POA Act.

Since the bill does not cite the annual report filing sections in Chapter 19 or Chapter 21 of Title 55.1, I do not think we can say condominium or proprietary lessees' associations cannot collect fees without being registered.

93 **Common Interest Community Ombudsman Regulations (18VAC48-70)**

94 **18VAC48-70-60. Distribution of association complaint procedure.**

95 A. The association complaint procedure must be readily available upon request to all
96 members of the association and citizens.

97 B. The association complaint procedure shall be included as an attachment to the resale
98 certificate ~~or the association disclosure packet~~ described in § 55.1-2310 of the Code of Virginia.

Commonwealth of Virginia
Common Interest Community Board
Department of Professional and Occupational Regulation



Post Office Box 29570
Richmond, Virginia 23242-0570
(804) 367-8510
cic@dpor.virginia.gov
www.dpor.virginia.gov

Common Interest Community Board COMMUNITY ASSOCIATION RESALE CERTIFICATE

Section 55.1-2310 of the Resale Disclosure Act in the *Code of Virginia* requires this standard resale certificate.

The home being purchased is in a development subject to the Virginia Condominium Act, the Virginia Property Owners' Association Act or the Virginia Real Estate Cooperative Act. Properties subject to these acts are considered "common interest communities" under the law and are governed by common interest community owner's associations ("association"). Homes in common interest communities are subject to the Virginia Resale Disclosure Act that requires disclosure of information about the common interest community and its association on this resale certificate.

Under the Resale Disclosure Act, the Common Interest Community Board establishes the fees that may be charged for preparation and delivery of the resale certificate. No association may collect these fees unless the association (i) is registered with the Common Interest Community Board; (ii) is current in filing the most recent annual report and fee with the Common Interest Community Board pursuant to § 55.1-1835; and (iii) provides the option to receive the resale certificate electronically.

Important Notice for Purchasers

The contract to purchase a home in a common interest community association is a legally binding document. The purchaser may have the right to cancel the contract after receiving the resale certificate.

The purchaser is responsible for examining the information contained in and provided with this resale certificate. The purchaser may request an update of the resale certificate from the association.

RESALE CERTIFICATE

Name of Development: _____

Location of Development (County/City): _____

Association Name: _____

Association Address: _____

Lot Address, Number, or Reference: _____

Date Prepared: _____

The following disclosures are being made pursuant to § 55.1-2310 of the Virginia Resale Disclosure Act.

1. Contact information:

Contact information for the preparer of the resale certificate and any managing agent is attached. See *Appendix 1*.

2. Governing documents and any rules and regulations:

A copy of the association governing documents and rules and regulations are attached. See *Appendix 2*.

3. Restraints on alienation:

There **is** **is not** any restraint on free alienability of any of the units. See *Appendix 3*.

4. Association assessments:

The association does levy assessments payable by the owners to the association for common expenses. See *Appendix 4*.

5. Association fees:

The association **does** **does not** charge fees to the owner of the unit. See *Appendix 5*.

6. Other assessments, fees, or charges.

The owner **is** **is not** liable to any other entity or facility for assessments, fees, or other charges due to ownership of the unit. See *Appendix 6*.

7. Association approved additional or special assessments:

The association **does** **does not** have other approved additional or special assessments due and payable to the association. See *Appendix 7*.

8. Capital expenditures approved by the association:

The association **does** **does not** have approved capital expenditures for the current and succeeding fiscal years. See *Appendix 8*.

9. Reserves for capital expenditures:

The association **does** **does not** have reserves for capital expenditures. See *Appendix 9*.

The association **has** **has not** designated some portion of those reserves for a specific project(s). See *Appendix 9*.

10. Balance sheet and income and expense statement:

The association's most recent balance sheet **is** **is not** attached. See *Appendix 10*.

The association's most recent income and expense statement **is** **is not** attached. See *Appendix 10*.

11. Current operating budget of the association:

The association's current operating budget is attached. See *Appendix 11*.

12. Reserve study:

A copy of the association's current reserve study or summary of the current reserve study is attached. See *Appendix 12*.

13. Unsatisfied judgements and pending actions:

There **are** **are not** unsatisfied judgements or pending actions in which the association is a party that could have a material impact on the association, the owners, or the unit being sold. See *Appendix 13*.

14. Insurance coverage:

The association **does** **does not** provide insurance coverage for the benefit of the owners, including fidelity coverage. See *Appendix 14*.

The association **does** **does not** recommend or require that owners obtain insurance coverage. See *Appendix 14*.

15. Written notice from the association:

The association **has** **has not** given or received written notice(s) that any existing uses, occupancies, alterations or improvements in or to the unit being sold or to the limited elements assigned thereto violate a provision of the governing documents or rules and regulations. See *Appendix 15*.

16. Written notice from a governmental agency:

The Board **has** **has not** received written notice(s) from a governmental agency of a violation of environmental, health, or building code with respect to the unit being sold, the limited elements assigned thereto, or a portion of the common interest community that has not been cured. See *Appendix 16*.

17. Board meeting minutes:

A copy(ies) of any approved minutes of meetings of the Board held during the last six months is attached. See *Appendix 17*.

Not applicable. See *Appendix 17*.

18. Association meeting minutes:

A copy(ies) of any approved or draft minutes of the most recent association meeting **is** **is not** attached. See *Appendix 18*.

19. Leasehold estates:

There **is** **is not** an existing leasehold estate affecting a common area or common element in the common interest community. See *Appendix 19*.

20. Occupancy limitations:

The association **does** **does not** have any limitation(s) in the governing documents on the number or age of persons who may occupy the unit as a dwelling. See *Appendix 20*.

21. United States flag restrictions:

The association **does** **does not** have any restriction(s), limitation(s), or prohibition(s) on the right of an owner to display the flag of the United States, including any reasonable restrictions as to size, time, place, and manner of placement or display of such flag. See *Appendix 21*.

22. Solar energy restrictions:

The association **does** **does not** have any restriction(s), limitation(s), or prohibition(s) on the right of an owner to install or use solar energy collection devices on the owner's unit or limited element. See *Appendix 22*.

23. Sign restrictions:

The association **does** **does not** have any restriction(s), limitation(s), or prohibition(s) on the size, placement, or duration of display of political, for sale, or any other signs on the property. See *Appendix 23*.

24. Parking or vehicle restrictions:

The association **does** **does not** have any parking or vehicle restriction(s), limitation(s), or prohibition(s) in the governing documents or rules and regulations. See *Appendix 24*.

25. Home-based business restrictions:

The association **does** **does not** have any restriction(s), limitation(s), or prohibition(s) on the operation of a home-based business that otherwise complies with all applicable local ordinances. See *Appendix 25*.

26. Rental restrictions:

The association **does** **does not** have any restriction(s), limitation(s), or prohibition(s) on an owner's ability to rent the unit. See *Appendix 26*.

27. [Real Estate Cooperatives Only] Accountant's statement:

An accountant's statement as to the deductibility for federal income tax purposes by the owner of real estate taxes and interest paid by the association **is** **is not** attached. See *Appendix 27*.

28. Pending sales or encumbrances:

There **is** **is not** a pending sale(s) or encumbrance of common elements. See *Appendix 28*.

29. Secondary mortgage market agency approvals:

There **is** **is not** any known project approval(s) currently in effect issued by secondary mortgage market agencies. See *Appendix 29*.

30. Certification:

The association has filed with the Common Interest Community Board the annual report required by law. See *Appendix 30*.

DRAFT

Appendix 1

The name, address, and phone numbers of the preparer of the resale certificate and any managing agent are required to be disclosed under § 55.1-2310.A.1. of the Resale Disclosure Act.

Preparer of the resale certificate:

Name: _____

Company _____

Mailing Address _____

Phone Number _____

Email _____

Managing Agent:

Name: _____

Company _____

CIC Manager License No. (if applicable) _____

Mailing Address _____

Phone Number _____

Email _____

Not applicable. The association does not have a managing agent.

Appendix 2

The governing documents and any rules and regulations of the association are required to be disclosed under § 55.1-2310.A.2. of the Resale Disclosure Act.

Association governing documents are attached in this Appendix.

Association rules and regulations **are** **are not** attached in this Appendix.

If not, explain why:

DRAFT

Appendix 3

Any restraint(s) on the alienability of the unit for which the resale certificate is being issued is required to be disclosed under § 55.1-2310.A.3. of the Resale Disclosure Act.

- Article/Section _____ of the governing documents (page _____ of *Appendix 2*) create a right(s) of first refusal or other restraint(s) on free alienability of the unit.
- Not applicable.

DRAFT

Appendix 4

The amount and payment schedules of assessments and any unpaid assessments currently due and payable to the association are required to be disclosed under § 55.1-2310.A.4. of the Resale Disclosure Act.

The association levies assessments, payable according to the following schedule

- monthly**
- quarterly**
- periodic** _____

Current assessment due _____ \$ _____
Due Date

Assessment in arrears _____ \$ _____
Periods Covered

TOTAL ASSESSMENTS DUE \$ _____

Assessments, for the current fiscal year not yet due \$ _____

\$ _____

\$ _____

Appendix 5

Any other fees due and payable by the owner of the unit are required to be disclosed under § 55.1-2310.A.5. of the Resale Disclosure Act.

Other fees due _____ \$ _____
Description

Fees in arrears _____ \$ _____
Description

TOTAL FEES AND CHARGES DUE \$ _____

Fees for the current fiscal year not yet due \$ _____

\$ _____

\$ _____

\$ _____

Not applicable. There are no other fees due and payable by the owner of the unit.

Appendix 6

A statement of any other entity or facility to which the owner of the unit being sold may be liable for assessments, fees, or other charges due to the ownership of the unit is required under § 55.1-2310.A.6. of the Resale Disclosure Act.

_____	_____	\$ _____
<i>Entity/facility name</i>	<i>Due date</i>	
_____	_____	\$ _____
<i>Entity/facility name</i>	<i>Due date</i>	
_____	_____	\$ _____
<i>Entity/facility name</i>	<i>Due date</i>	

Not applicable.

Appendix 7

The amount and payment schedule of any approved additional or special assessment and any unpaid approved additional or special assessment currently due and payable is required to be disclosed under § 55.1-2310.A.7. of the Resale Disclosure Act.

Special assessment due _____ \$ _____
Due Date

Special assessment arrears _____ \$ _____
Periods Covered

Additional assessment due _____ \$ _____
Due Date

Additional assessment arrears _____ \$ _____
Periods Covered

TOTAL ADDITIONAL ASSESSMENTS DUE \$ _____

Special assessments, for the current fiscal year not yet due \$ _____

Additional assessments, for the current fiscal year not yet due \$ _____

Not applicable.

Appendix 8

Any capital expenditures approved by the association for the current and succeeding fiscal years are required to be disclosed under § 55.1-2310.A.8. of the Resale Disclosure Act.

- Documents pertaining to capital expenditures approved by the association for the current and succeeding fiscal years are attached in this Appendix.

- Not applicable

DRAFT

Appendix 9

The amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any specified projects is required to be disclosed under § 55.1-2310.A.9. of the Resale Disclosure Act.

Total amount of association reserves \$ _____

Amount of total reserves designated for specific projects:

<i>Specific project</i>	\$	
<i>Specific project</i>	\$	
<i>Specific project</i>	\$	
<i>Specific project</i>	\$	

- Article/Section _____ of the governing documents (page _____ of *Appendix 2*) create a right(s) of first refusal or other restraint(s) on free alienability of the unit.

- Not applicable.

Appendix 10

The most recent balance sheet and income and expense statement, if any, of the association are required to be disclosed under § 55.1-2310.A.10. of the Resale Disclosure Act.

The most recent balance sheet for the association **is** **is not** attached in this Appendix.

The most recent income and expense statement for the association **is** **is not** attached in this Appendix.

If not, explain why:

DRAFT

Appendix 11

The current operating budget of the association is required to be disclosed under § 55.1-2310.A.11. of the Resale Disclosure Act.

- The current operating budget of the association is attached to this Appendix.

DRAFT

Appendix 12

The current reserve study, or a summary of such study is required to be disclosed under § 55.1-2310.A.12. of the Resale Disclosure Act.

- The current reserve study of the association **is** **is not** attached in this Appendix.

- A summary of the current reserve study of the association **is** **is not** attached in this Appendix.

- Not applicable. A reserve study is not yet required

DRAFT

Appendix 14

Any insurance coverage provided by the association for the benefit of the owners, including fidelity coverage, and any other insurance coverage recommended or required to be obtained by the owners is required to be disclosed under § 55.1-2310.A.14. of the Resale Disclosure Act.

- Insurance coverage provided by the association for the benefit of the owners, including fidelity coverage can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*). **Not applicable.**
- Any other insurance coverage recommended or required to be obtained by the owners can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*). **Not applicable.**

Appendix 15

Any written notice that any existing uses, occupancies, alterations, or improvements in or to the unit being sold or to the limited elements assigned thereto violate any provision of the governing documents or rules and regulations any copies of that notice (s) is required to be disclosed under § 55.1-2310.A.15. of the Resale Disclosure Act.

- A copy(ies) of any written notice(s) that an existing use, occupancy, alteration, or improvement in or to the unit being sold or the limited elements assigned thereto violates a provision of the governing documents or rules and regulations is attached in this Appendix.
- Not applicable

DRAFT

Appendix 16

Any written notice received by the board from a governmental agency of any violation of environmental, health, or building codes with respect to the unit being sold, the limited elements assigned thereto, or any other portion of the common interest community that has not been cured is required to be disclosed under § 55.1-2310.A.16. of the Resale Disclosure Act.

- Any written notice(s) received by the board from a governmental agency of any violation(s) of environmental, health, or building codes with respect to the unit being sold, the limited elements assigned thereto, or any other portion of the common interest community that has not been cured is attached in this Appendix.
- Not applicable.

Appendix 17

Copies of any approved minutes of meetings of the board held during the last six months are required to be disclosed under § 55.1-2310.A.17. of the Resale Disclosure Act.

Copies of any approved minutes of meetings of the board held during the last six months are are not attached in this Appendix.

If nothing is attached, please explain why:

DRAFT

Appendix 18

Copies of any approved or draft minutes of the most recent association meeting are required to be disclosed under § 55.1-2310.A.18. of the Resale Disclosure Act.

Copies of any approved or draft minutes of the most recent association meeting **are** **are not** attached in this Appendix.

If nothing is attached, please explain why:

DRAFT

Appendix 19

Any remaining term of any leasehold estate affecting a common area or common element, as those terms are defined in §§ 55.1-1800, 55.1-1900, and 55.1-2100 in the common interest community and the provisions governing any extension or renewal of such leasehold are required to be disclosed under § 55.1-2310.A.19. of the Resale Disclosure Act.

- Article/Section _____ of the governing documents (page _____ of *Appendix 2*) refers to a remaining term of any leasehold estate affecting a common area or common element in the common interest community and the provisions governing any extension or renewal of such leasehold.

- Not applicable

DRAFT

Appendix 20

Any limitation(s) in the governing documents on the number or age of persons who may occupy a unit as a dwelling is required to be disclosed under § 55.1-2310.A.20. of the Resale Disclosure Act.

- The limitation(s) on the number or age of persons who may occupy the unit as a dwelling can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*).

- Not applicable

DRAFT

Appendix 21

Any restriction(s), limitation(s), or prohibition(s) on the right of any owner to display the flag of the United States, including reasonable restrictions as to size, time, place, and manner of placement or display of such flag are required to be disclosed under § 55.1-2310.A.21. of the Resale Disclosure Act.

- The restriction(s), limitation(s), or prohibition(s) on the right of any owner to display the flag of the United States, including reasonable restrictions as to size, time, place, and manner of placement or display of such flag can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*).

- Not applicable

DRAFT

Appendix 22

Any restriction(s), limitation(s), or prohibition(s) on the right of any owner to install or use solar energy collection devices on the owner's unit or limited element are required to be disclosed under § 55.1-2310.A.22. of the Resale Disclosure Act.

- The restriction(s), limitation(s), or prohibition(s) on the right of any owner to install or use solar energy collection devices on the owner's unit or limited element can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*).

- Not applicable

DRAFT

Appendix 23

Any restriction(s), limitation(s), or prohibition(s) on the size, placement, or duration of display of political, for sale, or any other signs on the property are required to be disclosed under § 55.1-2310.A.23. of the Resale Disclosure Act.

- The restriction(s), limitation(s), or prohibition(s) on the size, placement, or duration of display of political, for sale, or any other signs on the property can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*).

- Not applicable

DRAFT

Appendix 24

Any parking or vehicle restriction(s), limitation(s), or prohibition(s) in the governing documents or rules and regulations are required to be disclosed under § 55.1-2310.A.24. of the Resale Disclosure Act.

- The parking or vehicle restriction(s), limitation(s), or prohibition(s) can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*) .

- Not applicable

DRAFT

Appendix 25

Any restriction(s), limitation(s), or prohibition(s) on the operation of a home-based business that otherwise complies with all applicable local ordinances is required to be disclosed under § 55.1-2310.A.25. of the Resale Disclosure Act.

- The restriction(s), limitation(s), or prohibition(s) on the operation of a home-based business that otherwise complies with all applicable local ordinances can be found in Article/Section _____ of the governing documents (page _____ of *Appendix 2*).

- Not applicable

DRAFT

Appendix 26

Any restriction(s), limitation(s), or prohibition(s) on an owner's ability to rent the unit is required to be disclosed under § 55.1-2310.A.26. of the Resale Disclosure Act.

- The restriction(s), limitation(s), or prohibition(s) on the owner's ability to rent the unit can be found in Article/Section _____ of the governing documents (page ____ of *Appendix 2*).
- Not applicable

DRAFT

Appendix 27

In a real estate cooperative, an accountant's statement, if any was prepared, as to the deductibility for federal income tax purposes by the owner of real estate taxes and interest paid by the association is required to be disclosed under § 55.1-2310.A.27. of the Resale Disclosure Act.

- An accountant's statement as to the deductibility for federal income tax purposes by the owner of real estate taxes and interest paid by the association is attached in this Appendix.
- Not applicable

DRAFT

Appendix 28

Any pending sale or encumbrance of a common element(s) is required to be disclosed under § 55.1-2310.A.28. of the Resale Disclosure Act.

Any documents pertaining to a pending sale or encumbrance of a common element(s) are attached in this Appendix.

Not applicable

DRAFT

Appendix 29

Any known project approvals currently in effect issued by secondary mortgage market agencies are required to be disclosed under § 55.1-2310.A.29. of the Resale Disclosure Act.

The common interest community is known to be currently approved (or mortgages secured by units in the common interest community are eligible for purchase) by the secondary mortgage market agencies checked below:

- _____
- _____
- _____
- _____

Not applicable

DRAFT

Appendix 30

Certification that the association has filed with the Common Interest Community Board the annual report required by law, including the filing number assigned by the Board and the expiration date of such filing are required to be disclosed under § 55.1-2310.A.30. of the Resale Disclosure Act.

- Certification that the association has filed the required annual report with the Common Interest Community Board is attached in this Appendix.

Association Filing (Registration) number assigned by the CIC Board

Filing (Registration) Expiration date

OTHER BOARD BUSINESS

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board decision.
DRAFT AGENDA

COMPLETE CONFLICT OF INTEREST
FORMS AND
TRAVEL VOUCHERS

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation of the Official Board of Education.
DRAFT AGENDA

ADJOURN

Please return your document folders to Raven Custer

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulatory or official Board action.
DRAFT AGENDA