

**UNDERSTANDING YOUR RIGHTS UNDER
THE VIRGINIA CONDOMINIUM ACT/PROPERTY OWNERS' ASSOCIATION ACT**

1. CONDOMINIUM ACT - RESALE CERTIFICATE.

- A. The Virginia Condominium Act, §55.1-1900, et seq., of the Code of Virginia, 1950, as amended (the "Condominium Act"), requires the owner selling a lot located within a development that is subject to the Condominium Act to obtain from the unit owners' association a resale certificate in conformity with the provisions of §55.1-1991 ("Resale Certificate") and provide it to the buyer.
- B. Resale Certificate should contain:
1. An appropriate statement pursuant to subsection H of §55.1-1966, which need not be notarized, and, if applicable, an appropriate statement pursuant to §55.1-1969;
 2. A statement of any expenditure of funds approved by the unit owners' association or the executive board that requires an assessment in addition to the regular assessment during the current or the immediately succeeding fiscal year;
 3. A statement, including the amount, of all assessments and any other fees or charges currently imposed by the unit owners' association, together with any known post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition, and maintenance of the condominium unit and the use of the common elements, and the status of the account;
 4. A statement of whether there is any other entity or facility to which the unit owner may be liable for fees or other charges;
 5. The current reserve study report or a summary of such report and a statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the executive board;
 6. A copy of the unit owners' association's current budget or a summary of such budget prepared by the unit owners' association and a copy of the statement of its financial position (balance sheet) for the last fiscal year for which a statement is available, including a statement of the balance due of any outstanding loans of the unit owners' association;
 7. A statement of the nature and status of any pending actions or unpaid judgments to which the unit owners' association is a party that either could or would have a material impact on the unit owners' association or the unit owners or that relates to the unit being purchased;
 8. A statement setting forth what insurance coverage is provided for all unit owners by the unit owners' association, including the fidelity bond maintained by the unit owners' association, and what additional insurance coverage would normally be secured by each individual unit owner;
 9. A statement that any improvements or alterations made to the unit, or the limited common elements assigned thereto, are or are not in violation of the condominium instruments;
 10. A copy of the current bylaws, rules and regulations, and architectural guidelines adopted by the unit owners' association and the amendments to any such documents;
 11. A statement of whether any portion of the condominium is located within a development subject to the Property Owners' Association Act;
 12. A copy of the notice given to the unit owner by the unit owners' association of any current or pending rule or architectural violation;
 13. A copy of any approved minutes of the executive board and unit owners' association meetings for the six calendar months preceding the request for the resale certificate;
 14. Certification that the unit owners' association has filed with the Common Interest Community

Board (“CICB”) the annual report required by §55.1-1980, the filing number assigned by the CICB, and the expiration date of such filing;

15. A statement of any limitation on the number of persons who may occupy a unit as a dwelling;
16. A statement setting forth any restrictions, limitation, or prohibition on the right of a unit 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;
17. A statement setting forth any restriction, limitation, or prohibition on the right of a unit owner to install or use solar energy collection devices on the unit owner's property;
18. A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies; and
19. A copy of the fully completed form developed by the CICB pursuant to §54.1-2350.

2. PROPERTY OWNERS’ ASSOCIATION ACT - DISCLOSURE PACKET.

- A. The Virginia Property Owners’ Association Act, §55.1-1800, et seq., of the Code of Virginia, 1950, as amended (the “POA Act”), requires Seller selling a lot located within a development that is subject to the POA Act to obtain from the unit owners’ association a Disclosure Packet in conformity with the provisions of §55.1-1809 (“Disclosure Packet”) and provide it to Buyer.
- B. Disclosure Packet should contain:
 1. The name of the association and, if incorporated, the state in which the association is incorporated and the name and address of its registered agent in Virginia;
 2. A statement of any expenditure of funds approved by the association or the board of directors that shall require an assessment in addition to the regular assessment during the current year or the immediately succeeding fiscal year;
 3. A statement, including the amount of all assessments and any other mandatory fees or charges currently imposed by the association, together with any post-closing fee charged by the common interest community manager, if any, and associated with the purchase, disposition, and maintenance of the lot and to the right of use of common areas, and the status of the account;
 4. A statement of whether there is any other entity or facility to which the lot owner may be liable for fees or other charges;
 5. The current reserve study report or summary thereof, a statement of the status and amount of any reserve or replacement fund, and any portion of the fund allocated by the board of directors for a specified project;
 6. A copy of the association’s current budget or a summary thereof prepared by the association, and a copy of its statement of income and expenses or statement of its financial position (balance sheet) for the last fiscal year for which such statement is available, including a statement of the balance due of any outstanding loans of the association;
 7. A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party and that either could or would have a material impact on the association or its members or that relates to the lot being purchased;
 8. A statement setting forth what insurance coverage is provided for all lot owners by the association, including the fidelity bond maintained by the association, and what additional insurance would normally be secured by each individual lot owner;
 9. A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto are or are not in violation of the declaration, bylaws, rules and regulations, architectural guidelines and articles of incorporation, if any, of the association;

10. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;
11. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including but not limited to reasonable restrictions as to the size, place, and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;
12. A statement setting forth any restrictions as to the size, place, duration, or manner of placement or display of political signs by a lot owner on his lot in accordance with §55.1-1820.1.
13. A statement setting forth any restriction, limitation, or prohibition on the right of a unit owner to install or use solar energy collection devices on the unit owner's property;
14. A copy of the current declaration, the association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the association;
15. A copy of any approved minutes of the board of directors and association meetings for the six calendar months preceding the request for the disclosure packet;
16. A copy of the notice given to the lot owner by the association of any current or pending rule or architectural violation;
17. A copy of the fully completed one-page cover sheet developed by the CICB pursuant to §54.1-2350;
18. Certification that the association has filed with the CICB the annual report required by §55.1-1835, which certification shall indicate the filing number assigned by the CICB, and the expiration date of such filing; and
19. A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies.

3. BUYER'S RIGHT OF CANCELLATION.

- A. The information contained in Resale Certificate/Disclosure Packet shall be current as of a date specified therein. Buyer may request an update of such Resale Certificate/Disclosure Packet or financial update. However, the request or receipt of an updated Resale Certificate/Disclosure Packet will not extend Buyer's right of cancellation provided for under the Condominium Act/POA Act. Buyer's right of cancellation begins upon Seller delivery to Buyer of Resale Certificate, including a Resale Certificate/Disclosure Packet that is not in conformity with the provisions of the Condominium Act/POA Act, or Seller delivery to Buyer of notice that Resale Certificate will not be available. The parties may extend Buyer's right of cancellation to the extent permitted by the Condominium Act/POA Act by ratifying *Extension of Review Period For Condominium Resale Certificate/ Property Owners' Association Disclosure Packet Addendum* or other comparable addendum. Any rights of Buyer to cancel the contract are waived conclusively if not exercised within the right of cancellation period or prior to Settlement. The failure to receive Resale Certificate/Disclosure Packet shall not excuse any failure to comply with the provisions of the declaration, articles of incorporation, bylaws, or rules or regulations.
- B. Resale Certificate/Disclosure Packet shall be deemed not to be available if: (i) a current annual report has not been filed by the unit/property owners' association with either the State Corporation Commission or the CICB as required by applicable law; (ii) Seller has made a written request to the unit/property owners' association that Resale Certificate/Disclosure Packet be provided and no such certificate/packet has been received within 14 days; or (iii) written notice has been provided by the unit/property owners' association that Resale Certificate/Disclosure Packet is not available.

C. Buyer may cancel the Contract without penalty:

1. Within three (3) days, or up to seven (7) days if extended by the ratified real estate contract, after the date of the contract, if on or before the date that Buyer signs the contract, Buyer receives Resale Certificate/Disclosure Packet, is notified that Resale Certificate/Disclosure Packet will not be available, or receives Resale Certificate/Disclosure Packet not in conformity with the provisions of Condominium Act/POA Act; **OR**
2. Within three (3) days, or up to seven (7) days if extended by the ratified real estate contract, after receiving Resale Certificate/Resale Disclosure, notice that Resale Certificate/Disclosure Packet will not be available, or receives a Resale Certificate/Disclosure Packet that is not in conformity with the provisions of Condominium Act/POA Act is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United States Postal Service, and a receipt obtained; **OR**
3. Within six (6) days, or up to ten (10) days if extended by the ratified real estate contract, after the postmark date if Resale Certificate/Disclosure Packet, notice that Resale Certificate/Disclosure Packet will not be available, or receives a Resale Certificate/Disclosure Packet not in conformity with the provisions of Condominium Act/POA Act is sent to the Buyer by United States mail; **OR**
4. At any time prior to settlement if Buyer has not been Notified that Resale Certificate/Disclosure Packet will not be available, and Resale Certificate/Disclosure Packet is not Delivered to the Buyer.

D. Notice of cancellation shall be provided to Seller by one of the following methods: (a) hand delivery; (b) United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing; (c) Electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or (d) Overnight delivery using a commercial service or the United States Postal Service. In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of cancellation.

Broker can counsel Buyer on real estate matters, but if legal advice is desired with respect to the contents of the Resale Certificate/Disclosure Packet, Buyer is advised to seek legal counsel.

BUYER:

Date / Signature

Date / Signature

Date / Signature

Date / Signature

© 2020 Northern Virginia Association of REALTORS®, Inc.

This is a suggested form of the Northern Virginia Association of REALTORS®, Inc. ("NVAR"). This form has been exclusively printed for the use of REALTOR® and Non-Resident members of NVAR, who may copy or otherwise reproduce this form in identical form with the addition of their company logo. Any other use of this form by REALTOR® and Non-Resident members of NVAR, or any use of this form whatsoever by non-members of NVAR is prohibited without the prior written consent of NVAR. Notwithstanding the above, no REALTOR® or Non-Resident member of NVAR, or any other person, may copy or otherwise reproduce this form for purposes of resale.

