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Common Interest Community Board CONDOMINIUM UNIT OWNERS' ASSOCIATION RESALE CERTIFICATE NOTICE

Section 54.1-2350 of the *Code of Virginia* requires that this form accompany resale certificates issued pursuant to § 55-79.97 of the *Code of Virginia*.

The unit being purchased is in a development subject to the Virginia Condominium Act ("Act"). Properties subject to the Act are considered "common interest communities" under the law. Owning and living in a community governed by a common interest community association has benefits and obligations. Upon accepting title to a unit within a condominium, membership in the condominium unit owners' association ("association") is mandatory and automatic. The Act also specifies the contents of the **resale certificate**, and fees that may be charged for preparation and distribution of the resale certificate.

In addition to information provided in the resale certificate, the following are important considerations when purchasing a condominium unit.

Assessments

Each unit owner is responsible for and obligated to pay regular assessments and, if applicable, other assessments, including special assessments, and other mandatory fees to ensure that the association's financial requirements are met. Assessments are mandatory, imposed by the association for expenses incurred for maintenance and services provided for the benefit of some or all of the units, reserves for future expenditures, the maintenance, repair, and replacement of the common elements, including for the construction or maintenance of stormwater management facilities, insurance, administrative expenses, and other costs and expenses established in the condominium instruments. Failure or refusal to pay assessments and any other mandatory fees may result in imposition of late fees, interest, costs and attorney fees, recordation of a lien against the unit, filing a lawsuit and obtaining judgment against the unit owner, foreclosing on the unit to enforce the lien, and other actions permitted by the condominium instruments and the Act.

Declaration and Other Condominium instruments

The condominium instruments include the declaration and exhibits – bylaws of the unit owners' association, common element interest table, plats and plans, and other exhibits ("condominium instruments"). The condominium instruments and other information provided with the resale certificate establish the condominium and describe the basis for living in a condominium. The form of governance, nature and scope of services, as well as limitations on property use are addressed in the condominium instruments, rules and regulations, and association policies.

Unit owners have the responsibility, among other things, to comply with condominium instruments, rules and regulations, and association policies that outline what unit owners may and may not do in their units and on the common elements. Use of common elements, financial obligations of unit owners and other rights, responsibilities and benefits associated with ownership are subject to the provisions of condominium

instruments, rules and regulations, and association policies. Some decisions are made by the association executive organ (often called the board of directors), while other decisions are reserved to association members. Failure to comply with the condominium instruments, rules and regulations, and association policies may result in monetary penalties, suspension of certain privileges, and legal action taken against the unit owner.

Limitations

The condominium instruments, rules and regulations, and association policies may establish limitations affecting use of individual units and the common elements. While the limitations applicable to each condominium may vary from community to community, § 54.1-2350 of the Code of Virginia makes particular reference to the following. The condominium instruments, rules and regulations, and association policies may establish:

- Limitations on the authority of a unit owner to rent the unit.
- Limitations on parking and storage of certain types of motor vehicles and boats within the community.
- Limitations on maintenance of pets within a unit or on common elements.
- Limitations on operating a business within a unit.
- Architectural restrictions on changes to units.
- The period or length of time that the declarant (developer) may control membership on the executive organ, make decisions on behalf of the association, and therefore operate the association. This period is often referred to as the *declarant control period*. At the conclusion of the declarant control period, control of the association is transferred to the members.

This list does not represent all limitations that may affect units within the common interest community.

Important Notice for Purchasers

The contract to purchase a condominium unit is a legally binding document. The purchaser may have the right to cancel the contract after receiving the resale certificate.

Information provided in this form is a summary of select matters to consider when purchasing a condominium unit but should not be relied upon to understand the character and nature of the condominium and the unit owners' association.

The purchaser is responsible for examining the information contained in and provided with the resale certificate. The purchaser shall carefully review the entire resale certificate. The purchaser may request an update of the resale certificate.

The contents of the resale certificate control to the extent that there are any inconsistencies between this form and the resale certificate.

The Resale Certificate must include the following:

- 1 An appropriate statement regarding unpaid assessments pursuant to subsection H of § 55-79.84 which need not be notarized and, if applicable, an appropriate statement regarding rights of first refusal or other restraints on alienation pursuant to § 55-79.85;
- 2 A statement of any expenditure of funds approved by the unit owners' association or the executive organ that shall require an assessment in addition to the regular assessment during the current or the immediately succeeding fiscal year;
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;
- 3 A statement whether there is any other entity or facility to which the unit owner may be liable for fees or other charges;
- 4 The current reserve study report or a summary thereof, 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 organ;
- 5 A copy of the unit owners' association's current budget or a summary thereof 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;
- 6 A statement of the nature and status of any pending suits or unpaid judgments to which the unit owners' association is a party which 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;
- 7 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;
- 8 A statement that any improvements or alterations made to the unit, or the assigned limited common elements, are or are not in violation of the condominium instruments;
- 9 A copy of the current bylaws, rules and regulations and architectural guidelines adopted by the unit owners' association and the amendments thereto;
- 10 A statement of whether the condominium or any portion thereof is located within a development subject to the Property Owners' Association Act (§ 55-508 et seq.) of Chapter 26 of this title;
- 11 A copy of the notice given to the unit owner by the unit owners' association of any current or pending rule or architectural violation;
- 12 A copy of any approved minutes of the executive organ and unit owners' association meetings for the six calendar months preceding the request for the resale certificate;
- 13 Certification that the unit owners' association has filed with the Common Interest Community Board the annual report required by § 55-79.93:1; which certification shall indicate the filing number assigned by the Common Interest Community Board 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, but not limited to 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;
- 19 A copy of the fully completed form developed by the Common Interest Community Board pursuant to § 54.1-2350; and
- 20 The association complaint procedure required by 18 VAC 48-70-60 and pursuant to 18 VAC 48-70-40 and 18 VAC 48-70-50.