

BOXWOOD GREEN HOMEOWNERS ASSOCIATION DISCLOSURE PACKET AND FEE POLICY

Purpose of Policy. To advise lot owners, their agent brokers, potential purchasers, and settlement agents of the Board of Directors' (Board) policy for complying with Section 55.1-1809 of the Code of Virginia's Property Owners' Association Act (Act) and the fees established for obtaining information required by the Act.

Background. The Act has required property owners associations for many years to provide information through an "association disclosure packet" to lot owners selling their property. Boxwood Green has consistently followed those requirements.

The Act requires the Association to deliver within 14 days of receiving a request from lot owner sellers or their agents association disclosure packets either by hard copy or electronic means. If the request is to send the packet electronically, the sellers may request two additional recipients at no additional cost. A fee not to exceed the lower of \$100 or the cost of preparing the packet may be applied. The fee is collected when the packet is delivered.

Additionally, the Association must provide:

1. Sellers, buyers, or their agents within 10 days of receiving a request as many "disclosure packet updates" as requested if the packet was issued within the last 12 months.
2. Settlement agents within 3 days of receiving a request a "financial update."
3. Buyers or their agents an updated inspection of the property, which is routinely included as part of the original association disclosure packet.

The Association may charge a reasonable fee, not to exceed \$50, for disclosure packet and financial updates and inspections. Beginning July 1, 2010, these fees must be collected at the time of the delivery of the updates and inspections.

Inaccurate information contained in the association disclosure packet could result in a waiver of any claim for delinquent assessments and/or of any violation of the covenants or bylaws. If a packet is not provided to the seller, the Association may be liable for actual damages not to exceed \$500.

The Act consistently states that the Association must provide either a hard copy or an electronic copy of the information requested by those authorized. When the requester is unable to receive a full electronic packet, the Board has developed an alternative hybrid package that includes both hard copy documents and website access. The Board has taken steps to provide as much information as possible through its website www.boxwoodgreen.org.

General Guidelines. The Board adopted the following policies and procedures for providing parties required by law association disclosure packets and updates.

Assistant Treasurer's Responsibilities

The Assistant Treasurer is responsible for the preparation, signature approval, and delivery of association disclosure packets, disclosure packet updates, financial updates, and inspection update reports as required by the Code of Virginia Sections 55.1-1809. Association disclosure packets and all updates will be provided only to lot owners within the Boxwood Green Homeowners Association and to individuals (agents, potential buyers, and settlement agents) who have the written authorization from the requesting lot owners. Upon being notified of the potential sale of a property, the Assistant Treasurer will ask the lot owner for the names of the approved agents, potential buyers, their agents, and the settlement agents so that delays will not occur at a later date.

Association Disclosure Packet

1. The Assistant Treasurer, upon receipt of a written request for an association disclosure packet will contact the Architectural Review Committee by email or telephone to initiate the inspection of the lot owners' property.
Note: the original date of the written request sets the beginning of the 14-day response period.
2. The Assistant Treasurer will prepare the association disclosure packet, prepare an invoice for the disclosure packet fee, and notify the requester by telephone or email of its availability. Once the disclosure packet fee is received, the Assistant Treasurer will provide the requester with the packet and a receipt for the fee.

Disclosure Packet Update

1. The Assistant Treasurer, upon receipt of a written request for a disclosure packet update will initiate the following steps to process the request.
 - a. Determine the requester is an authorized recipient of the financial information.
 - b. Determine from the requester exactly what information is being requested.
 - i. If a complete association disclosure packet is being requested, complete steps under Association Disclosure Packet above, noting that the response date is 10 days rather than 14 days.
 - ii. If a complete packet is not requested, determine which information is being requested.
 - c. Document the request either by email from the requester or a memorandum supporting the requester's telephone request.
2. The Assistant Treasurer will prepare the association disclosure packet update, prepare an invoice for the disclosure packet update fee, and notify the requester by telephone or email of its availability. The Assistant Treasurer will provide the requester with the packet and collect the fee.

Financial Update

1. The Assistant Treasurer, upon receipt of a verbal or written request from a settlement agent for a financial update, will initiate the following steps to process the request.
 - a. Determine the Settlement Agent is an authorized recipient of the financial information.
 - b. Determine exactly what information is being requested and how that information is to be provided.
2. The Assistant Treasurer will prepare the reports and provide the settlement agent with the update.

Additional Inspection

1. The Assistant Treasurer, upon receipt of a written request for an additional inspection, will initiate the following steps to process the request.
 - a. Determine the recipient is an authorized to request the additional inspection and determine the extent of the inspection requested.
 - b. Contact the Architectural Review Committee by email or telephone to initiate the inspection of the homeowners' property.
2. The Assistant Treasurer will provide the inspection results to the requester.

Association Disclosure Packet, Disclosure Packet Update, Financial Update, and Inspection Update Fees

The actual cost of preparing the web copy association disclosure packet is \$75. From the fees collected, the Assistant Treasurer will be paid \$50 for the web copy. The remaining \$25 will be applied to operating expenses to cover the cost of reproduction. Fees for disclosure packet updates will be paid to the Assistant Treasurer.

The Board has authorized the following fee schedule.

	WEB	COPY
DOCUMENT	First Copy	Additional
Association Disclosure Packet	\$75.00	\$10.00
Disclosure Packet Update	\$25.00	\$10.00
Financial Update	N/A	N/A
Inspection Update	N/A	N/A

Revised August 18, 2010

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