

MEMORANDUM OF UNDERSTANDING

Title and Parties

BETWEEN

NORTH SHORE AT RIDGLEY MANOR, INC., a homeowners association organized under the laws of the Commonwealth of Virginia and the City of Virginia Beach ("HOA 1").

AND NORTH SHORE AT RIDGLEY MANOR TWO COMMUNITY ASSOCIATION, INC., a homeowners association organized under the laws of the Commonwealth of Virginia and the City of Virginia Beach ("HOA 2").

This Memorandum of Understanding ("MOU") sets out the general intentions and understandings between HOA 1 and HOA 2 regarding cooperation, coordination, and the sharing of certain information, including financial documents.

Effective Date: Immediately

Term: This MOU will remain in effect until terminated earlier in accordance with Section 9 below.

1. Purpose

The purpose of this MOU is to establish a framework for collaboration between HOA 1 and HOA 2 in areas of mutual interest, including but not limited to:

- Coordinated management of shared or adjacent community issues.
- Transparent sharing of relevant records, including specific financial documents, to promote accountability and informed decision-making.

This MOU is intended as a good-faith statement of mutual understandings and is generally non-binding except where provisions are expressly stated to be binding under applicable law.

2. Scope of Cooperation

The parties intend to cooperate in the following areas:

- Exchange of non-confidential community operational information (such as maintenance schedules, vendor contacts, and policy updates).

- Coordination on issues affecting shared or adjoining common areas, including safety, parking, landscaping, and signage.
- Sharing of certain financial and governance documents as described in Section 3 of this MOU.

Each HOA remains an independent legal entity, with its own governing documents, board of directors, and decision-making authority.

3. Sharing of Financial Documents

3.1 Types of Financial Documents

Subject to applicable law and their respective governing documents, HOA 1 and HOA 2 agree to share the following financial documents upon written request from the other party:

- Most recent annual budget approved by the Board.
- Most recent year-end financial statements (income and expense statement and balance sheet).
- Most recent independent audit or review report, if any.
- Current schedule of regular assessments and any approved special assessments.
- Reserve study summary or reserve funding plan, if available.

3.2 Purpose of Sharing

The parties agree that financial documents will be shared solely for legitimate association purposes, including:

- Evaluating joint projects or shared service contracts.
- Assessing the financial capacity of each HOA to contribute to shared initiatives.
- Supporting long-term planning and governance best practices.

3.3 Confidentiality and Redaction

- Neither HOA will disclose the other HOA's financial documents to third parties except as required by law, court order, or their own governing documents.
- Documents may be reasonably redacted to remove personally identifiable information of individual owners, account-level delinquency information, or other sensitive data not necessary for the stated purposes.
- Both parties agree to use customary safeguards when storing and transmitting financial records, including secure electronic methods where feasible.

3.4 Manner, Timing, and Cost of Requests

- Requests for financial documents must be in writing (including email) to the requesting party's designated contact set forth in Section 10.
- Each HOA may charge a reasonable cost-recovery fee for copying or producing physical records, if allowed by its governing documents and applicable law, and will disclose such fees in advance.

4. Other Document Sharing

Upon reasonable request, and subject to applicable law, each HOA will consider sharing the following non-financial governance documents:

- Current governing documents (Articles, Bylaws, CC&Rs, and Rules & Regulations).
- Selected board meeting minutes or summaries related to joint issues (with redactions as needed).

The parties acknowledge that some documents may not be shared if restricted by law, privilege, or privacy obligations.

5. Roles and Responsibilities

- Each HOA is responsible for compliance with its own governing documents and all applicable federal, state, and local laws.
- Neither HOA has authority to bind the other to contracts, obligations, or legal positions, unless expressly agreed in a separate written agreement authorized by both Boards.

6. Meetings and Communication

- The parties will endeavor to hold joint meetings of designated representatives to discuss matters of mutual interest, including financial health, shared projects, and operational best practices.
- Additional meetings may be scheduled as needed, in person or via virtual platforms.
- Actions affecting only one HOA will remain within the sole discretion of that HOA's Board.

7. No Transfer of Ownership or Control

Nothing in this MOU transfers ownership of any property, funds, or legal rights from one HOA to the other, nor does it create a joint venture, partnership, or agency relationship.

Any shared funding or cost-sharing arrangements must be set out in a separate, more detailed written agreement approved by both Boards.

8. Legal Compliance

Both parties agree to carry out their obligations under this MOU in compliance with:

- Their recorded governing documents (Declarations, Bylaws, and Rules).
- Applicable state homeowners association statutes and nonprofit corporation laws.
- Any other applicable municipal, state, or federal requirements.

If any provision of this MOU conflicts with mandatory law or recorded governing documents, the conflicting provision will be deemed modified to the minimum extent necessary to comply, without affecting the remainder of the MOU.

9. Term, Amendment, and Termination

- This MOU will commence immediately and continue until terminated by either party upon written notice to the other party.
- This MOU may be amended only by written agreement signed by authorized representatives of both HOAs.
- Obligations regarding confidentiality of shared documents will survive termination with respect to documents previously exchanged.

10. Notices

All notices under this MOU must be in writing and delivered by hand, mail, or email to:

For HOA 1:

Name: Walter Poague

Title: President

Address: 1120 Knights Bridge Lane, Virginia Beach, VA 23455

Email: bpoague@verizon.net

For HOA 2:

Name: Patrick Henry

Title: President

Address: 1241 Lambeth Lane, Virginia Beach, VA 23455

Email: HenryMediaGroup@mac.com

11. Non-Binding Nature

Except for provisions expressly stated to be binding (such as confidentiality, cost recovery for copies, and survival clauses), this MOU is intended to express mutual understandings and does not create enforceable contractual obligations or rights.

12. Signatures

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the Effective Date.

NORTH SHORE AT RIDGLEY MANOR, INC. (HOA 1)

By:

Name:

Title:

Date:

Walter Payne (Burtin Poague)
PRESIDENT
1/6/20

NORTH SHORE AT RIDGLEY MANOR TWO COMMUNITY ASSOCIATION,
INC. (HOA 2)

By:

Name:

Title:

Date:

Patrick Henry
PRESIDENT
1-6-2020