



COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

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Governor

Jessica K. Looman
Secretary of Labor

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Director

July 8, 2026

Complainant: Mark Markwood
Association: Tranquility Homeowners' Association
File Number: 2026-02424

DETERMINATION - NOTICE OF FINAL ADVERSE DECISION

Introduction

The Complainant, Mark Markwood ("Complainant"), submitted a complaint to Tranquility Homeowners' Association ("Association") dated November 24, 2025. The Association provided a response to the Complainant's complaint dated January 16, 2026. The Complainant then submitted a Notice of Final Adverse Decision ("NFAD") to the Office of the Common Interest Community Ombudsman ("Office") dated February 4, 2026, and the NFAD was received by our Office on February 10, 2026.

Authority

In accordance with its regulations, this Office, as designee of the Agency Director, is responsible for determining whether a "final adverse decision may be in conflict with laws or regulations governing common interest communities." (18 Va. Admin. Code ("VAC") 48-70-120) The process of making such a determination begins with receipt of a NFAD that has been submitted to this office in accordance with § 54.1-2354.4 of the Code of Virginia of 1950, as amended ("Va. Code") and the Common Interest Community Ombudsman regulations ("Regulations"). An NFAD results from an association complaint submitted through an association complaint procedure. The association complaint must be submitted in accordance with the applicable association complaint procedure and as specifically set forth in the Regulations, "shall concern a matter regarding the action, inaction, or decision by the governing board, managing agent, or association inconsistent with applicable laws and regulations."

Under the Regulations, "applicable laws and regulations" pertain solely to common interest community laws and regulations. Any complaint that does not concern common interest community laws or regulations is not appropriate for submission through the association complaint procedure, and we cannot provide a determination on such a complaint. Common interest community law is limited to the Virginia Condominium Act, the Property Owners' Association Act, and the Virginia Real Estate Cooperative Act.

The only documents that will be considered when reviewing an NFAD, in accordance with Regulation 18 VAC 48-70-90, are the association complaint submitted by a complainant to the association (and any documents included with that original complaint), the final adverse decision from the association, and any supporting documentation related to that final adverse decision. Other documents submitted with the Notice of Final Adverse Decision cannot be reviewed or considered. Further, this Determination is final and not subject to further review or appeal pursuant to Va. Code § 54.1-2354.4(C).

If within 365 days of issuing a determination that an adverse decision is in conflict with laws or regulations governing common interest communities we receive a subsequent NFAD for the same violation, the matter will be referred to the Common Interest Community Board to take action in accordance with Va. Code § 54.1-2351 or § 54.1-2352 as deemed appropriate by the Board.

Determination

The Complainant presents two allegations against the Association. The first allegation is that the Association has a conflict of interest, in violation of Va. Code § 13.1 871, which is the Virginia Nonstock Corporation Act (“VNCA”).¹ This Office has the authority to render decisions on violations of common interest community statutes.² The VNCA, is however, not a common interest community statute. Thus, this Office cannot render a decision on whether this statute was violated, but we would refer the Complainant to counsel to seek an appropriate remedy in a court of competent jurisdiction to hear this matter. There are also allegations made by the complainant, which concern the interpretation of the governing documents of the Association. Again, as that is outside the scope of authority of this Office, the Complainant will have to seek remedies for such alleged violations in other forums.³

The second allegation concerns an alleged violation of the Virginia Property Owners’ Association Act (“POAA”), specifically Va. Code § 55.1-1807. The Complainant alleges that the Association hired Admiral Security to provide guards at the Springfield Road Construction Access, as it appears to have actually benefited the declarant, which is operating as Tranquility Residential, LLC. On December 11, 2025, the Complainant further added on to his earlier November 24, 2025, complaint that he believed that Va. Code §55.1-1803 was also violated, because the contract that the Association had with the security firm could not be bona fide and/ or unreasonable. These two alleged violations of the POAA are discussed in further detail below.

1. Did the Association violate the POAA, specifically Va. Code § 55.1-1807?

The Complainant contends that the Association violated the POAA, specifically Va. Code § 55.1-1807, by violating the due process rights this statute confers to lot owners. The January 16, 2026, response from the Association did not specifically address the due process claim under the foregoing statute by the Complainant. However, Va. Code § 55.1-1807, is a statement of the enumerated rights that lot owners have with respect to a POAA-bound Association, such as the one in the instant case. In this matter, the

¹ See Va. Code § 13.1-804 through § 13.1-945.

² See Va. Code § 54.1-2354.3; *see also* 18VAC48-70-10.

³ *Id.*

“due process” violation is pled very broadly by the Complainant. The Complainant makes no nexus between the specific facts of this matter and the violation of the statute. In general, the Complainant alleges that by charging the security costs to the association members, the Association has, in effect, found the community as a whole in violation of the rules of the community and is assessing the lot owners with a fine in the form of paying for the security firm from the Association’s funds. In doing so, Complainant asserts this is in violation of the lot owners’ rights to notice and a hearing.⁴ While this appears to be a novel theory, it is a matter that is outside the scope of authority of this Office, as such a claim is not properly before the Office.⁵ Specifically the POAA expressly states that the rights conferred on lot owners under Va. Code § 55.1-1807 shall be enforceable through an action in a court of law in the appropriate jurisdiction.⁶

2. Did the Association violate the POAA, specifically Va. Code § 55.1-1803?

The Complainant made a supplementary allegation to the Association on December 11, 2025, where he asserted that the Association violated Va. Code § 55.1-1803. The Complainant concluded that Va. Code § 55.1-1803(C) specifically was violated because the contract that the Association signed with Admiral Security could not be considered bona fide or commercially reasonable to the Association.

Under Va. Code § 55.1-1803(C) concerns the limitation on certain contracts and leases by declarant that

If entered into at any time prior to the expiration of the period of declarant control contemplated by the declaration, any contract, lease, or agreement, other than those subject to the provisions of subsection A or B, may be entered into by or on behalf of the association, its board of directors, or the lot owners as a group if such contract, lease, or agreement is bona fide and is commercially reasonable to the association at the time entered into under the circumstances.⁷

The Association, in its January 16, 2026, response, states that the Complainant provided no information that disputed the security contract in question from being bona fide or unreasonable. Other than the amount paid to the firm by the Association of \$11,103.92, the Complainant provided no evidence to indicate that this contract was commercially unreasonable or not bona fide. In its response, the Association contends that because the access road entrance in question had been or were in the process of being conveyed as common elements of the Association. The Association’s response also sets out additional reasons the security contract is commercially reasonable and bona fide. Ultimately, whether the Association has breached its fiduciary duty by entering into the security contract is a question of law for a court. Based on the information presented here, this Office finds that the information provided in the record is insufficient to prove a violation of the POAA, specifically Va. Code §55.1-1803(C).

⁴ See Va. Code § 55.1-1807(4).

⁵ See Va. Codes §§ 55.1--1807 and 1828.

⁶ *Id.*

⁷ Va. Code § 55.1-1803(C).

In a final note, this Office did want to point out that the Association's Response did not contain the required Association registration number, nor the license number of the common interest community manager, in violation of 18VAC48-70-50(10).⁸

Conclusion

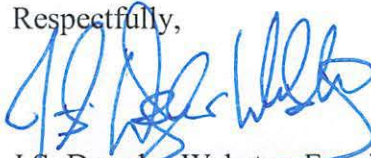
Based on the foregoing, this Office finds no violation of the POAA in the instant case.

Required Actions

No action is required of the Association since we did not find violations of the POAA in the instant case. This Office, however, encourages the Association to be deliberate in answering complaints completely, addressing each specific complaint specifically, and ensuring that it meets all of the requirements of 18VAC48-70-50 in its response.

Please contact me if you have any questions.

Respectfully,



J.S. Douglas Webster, Esquire,
CIC Ombudsman

Compliance & Investigation Division

⁸ 18 VAC48-70-50(10).