

OFFICE OF CHARITABLE AND REGULATORY PROGRAMS

Membership Campgrounds – Frequently Asked Questions

Registration Requirements

The Virginia Membership Camping Act (Act) applies to each membership camping contract executed at least in part in the Commonwealth, regardless of the whereabouts of the membership camping operator's principal office or his campground or recreational facilities.

Important Definitions:

"Campground" means any single tract or parcel of real property on which there are at least ten camping sites.

"Membership camping operator" means any person who is in the business of soliciting, offering, advertising, or executing membership camping contracts. A membership camping operator shall not include:

1. Any enterprise that is tax-exempt under §501(c)(3) of the Internal Revenue Code, as amended; or
2. Any enterprise that is tax-exempt under Chapter 36 of Title 58.1; or
3. Manufactured home parks wherein the residents occupy the premises as their primary homes.

"Membership camping contract/agreement" means any written agreement of more than one year's duration, executed in whole or in part within this Commonwealth, which grants to a purchaser a nonexclusive right or license to use the campground of a membership camping operator or any portion thereof on a first come, first serve or reservation basis together with other purchasers. **"Membership camping contract/agreement"** also means any written agreement of more than one year's duration, executed in whole or in part within this Commonwealth, which obligates the membership camping operator to transfer or which does in fact transfer to the purchaser title to or an ownership interest in a campground or any portion thereof, and which give the purchaser a nonexclusive right or license to use the campground of a membership camping operator or any portion thereof, on a first come, first serve or reservation basis together with other purchasers.

"Person" means any individual, corporation, partnership, company, unincorporated association or any other legal entity other than a government or agency or a subdivision thereof.

Unlawful offer or execution of membership camping contract

- A. This chapter is administered by the Virginia Department of Agriculture and Consumer Services, Office of Charitable and Regulatory Programs (OCRCP).
- B. It is unlawful for any membership camping operator to offer to sell any membership camping contract in this Commonwealth unless he is registered with OCRCP.
- C. It is unlawful for any membership camping operator registered under this chapter to sell any membership camping contract which causes the total ratio of the outstanding and

valid membership camping contracts to exceed a ratio of fifteen such contracts for each camping site.

Exemption from registration under other acts

Any membership camping operator registered with OCRP under this chapter is not required to register or comply with the terms and requirements of the following:

1. The Virginia Condominium Act (§ 55-79.39 et seq.).
2. The Virginia Real Estate Time-Share Act (§ 55-360 et seq.).
3. The Virginia Securities Act (§ 13.1-501 et seq.).

Membership camping operator's disclosure statement

- A. Every membership camping operator, salesperson, or other person who is in the business of offering for sale or transfer the rights under existing membership camping contracts for a fee shall deliver to his purchaser a current membership camping operator's disclosure statement before execution by the purchaser of the membership camping contract and no later than the date shown on such contract.
- B. The membership camping operator's disclosure statement shall consist of the following:
 1. A cover page stating:
 - a. The words "**Membership Camping Operator's Disclosure Statement**" printed in boldfaced type of a minimum size of ten points, followed by,
 - b. The name and principal business address of the membership camping operator followed by,
 - c. A statement that the membership camping operator is in the business of offering for sale membership camping contracts, followed by,
 - d. The following, printed in a least 10-point, boldfaced print:

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN THE EXECUTION OF A MEMBERSHIP CAMPING CONTRACT. THE MEMBERSHIP CAMPING OPERATOR IS REQUIRED BY LAW TO DELIVER TO YOU A COPY OF THIS DISCLOSURE STATEMENT BEFORE YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. YOU, AS A PROSPECTIVE PURCHASER, SHOULD REVIEW ALL REFERENCES, EXHIBITS, CONTRACT DOCUMENTS, AND SALES MATERIALS. YOU SHOULD NOT RELY UPON ANY ORAL REPRESENTATIONS AS BEING CORRECT. REFER TO THIS DOCUMENT AND TO THE ACCOMPANYING EXHIBITS FOR CORRECT REPRESENTATIONS. THE MEMBERSHIP CAMPING OPERATOR IS PROHIBITED FROM MAKING ANY REPRESENTATIONS WHICH CONFLICT WITH THOSE CONTAINED IN THE CONTRACT AND THIS DISCLOSURE STATEMENT.
 - e. The following language, printed in boldfaced type of a minimum size of ten points after the appearance of the items required in subdivisions a through d above:

SHOULD YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT, YOU HAVE THE UNQUALIFIED RIGHT TO CANCEL SUCH CONTRACT. THIS RIGHT OF CANCELLATION CANNOT BE WAIVED. THE RIGHT TO CANCEL EXPIRES AT MIDNIGHT ON THE 7TH CALENDAR DAY FOLLOWING THE DATE ON WHICH THE CONTRACT WAS EXECUTED. TO CANCEL THE MEMBERSHIP CAMPING CONTRACT, YOU AS THE PURCHASER MUST MAIL NOTICE OF YOUR INTENT

TO CANCEL BY CERTIFIED UNITED STATES MAIL TO THE MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS SHOWN IN THE MEMBERSHIP CAMPING CONTRACT, POSTAGE PREPAID. THE CAMPING OPERATOR IS REQUIRED BY LAW TO RETURN ALL MONEYS PAID BY YOU IN CONNECTION WITH THE EXECUTION OF THE MEMBERSHIP CAMPING CONTRACT, UPON YOUR PROPER AND TIMELY CANCELATION OF THE CONTRACT. IN ADDITION, AFTER THE INITIAL 7-CALENDAR-DAY CANCELLATION PERIOD, YOU THE PURCHASER OR YOUR SUCCESSOR IN INTEREST MAY TERMINATE YOUR LIABILITY UNDER THE MEMBERSHIP CAMPING CONTRACT INCLUDING PAYMENT OF ANY MEMBERSHIP FEES, DUES, AND ASSESSMENTS UPON YOUR GIVING PROPER AND EFFECTIVE NOTICE TO THE MEMBERSHIP CAMPING OPERATOR. TO BE EFFECTIVE, THE NOTICE MUST BE IN WRITING AND SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND IT MUST CONTAIN: (1) YOUR TRANSFER OF ANY AND ALL RIGHTS, TITLE, AND INTEREST YOU HAVE IN THE MEMBERSHIP CAMPING CONTRACT AND CAMPGROUND BACK TO THE MEMBERSHIP CAMPING OPERATOR; (2) A RECORDABLE DEED, DULY EXECUTED AND NOTARIZED, AND THE RECORDING FEE, IF YOU RECEIVED A RECORDED DEED FROM THE MEMBERSHIP CAMPING OPERATOR; (3) PAYMENTS OF (I) THE UNPAID BALANCE OF THE PURCHASE PRICE AND ANY ACCRUED UNPAID INTEREST THEREON AND (II) ALL UNPAID MEMBERSHIP FEES, DUES, AND ASSESSMENTS WITH ACCRUED INTEREST THEREON PERMITTED BY THE MEMBERSHIP CAMPING CONTRACT; AND (4) PAYMENT OF ALL OTHER UNPAID FINANCIAL OBLIGATIONS OWED BY YOU THE PURCHASER PURSUANT TO THE MEMBERSHIP CAMPING CONTRACT.

- f. The following language below all statements required in subdivisions a through e above:

“Registration of the membership camping operator with the Commissioner of the Virginia Department of Agriculture and Consumer Services does not constitute an approval or endorsement by the Commissioner of the membership camping operator, his membership camping contract, or his campground.”

Applicants and potential members should review the rest of the Disclosure Statement requirements pursuant to §59.1-326 of the Act to insure the requirements have been met.

Purchaser’s Rights

- A. The purchaser shall have the following rights during the first seven calendar days following the execution of the membership camping contract:
1. A purchaser has the right to cancel a membership camping contract **within seven calendar days** following the date of its execution.
 2. The right of cancellation cannot be waived and any attempt to obtain such a waiver is unlawful. Nothing in this section shall preclude the execution of documents in advance of closing for delivery after expiration of the cancellation period.
 3. If the purchaser elects to cancel the membership camping contract, he may do so **ONLY** by mailing notice thereof by **certified** United States mail to the membership

camping operator at the address listed in the membership camping contract. The cancellation shall be deemed effective upon mailing.

4. Upon cancellation, the membership camping operator shall refund to the purchaser all payments made by such purchaser and collected by the membership camping operator pursuant to the canceled membership camping contract. The refund shall be made within sixty days after the effective date of the cancellation and may, where payment has been made by credit card, be made by an appropriate credit to the purchaser's account. Where payment is made by an exchange of real or personal property, the property may be returned to the purchaser.

5. The purchaser's right to cancel shall apply only to the initial membership camping contract executed by such purchaser and to no successor contract and shall not apply to a successor contract which replaces an existing contract executed by such purchaser, unless the successor contract is executed within seven calendar days of the original contract in which case the cancellation period shall renew itself.

B. In addition to the rights afforded the purchaser contained in subsection A of this section, the purchaser and any successor in interest shall not be held liable for any maintenance fees, dues, and assessments succeeding the effective date of notification pursuant to subdivision 2 of this subsection, if:

1. The purchaser or his successor in interest relinquishes any and all interest in the membership camping contract to the membership camping operator or his assigns; and

2. The purchaser or his successor in interest notifies the membership camping operator or his assigns, in writing, by certified mail, return receipt requested, of his relinquishment. The notice shall be deemed effective:

a. Eighteen months after the notice is mailed provided the membership camping contract is not less than fifty-four months old; and

b. If and only if the principal and interest payments, the membership fees, dues, and assessments and all other financial obligations owed by the purchaser, or his successor in interest, under the membership camping contract are paid in full as of the date of mailing; and

c. The relinquishment contained in subdivision B 1 shall be in the form of a recordable deed, duly executed and properly notarized, or other form found acceptable to the membership camping operator accompanied by a fee sufficient to record the deed.

C. If the notice complies with subsection B of this section concerning avoiding further payments of membership fees, dues, and assessments, the membership camping operator shall confirm, in writing, receipt of the notice within ten days after its receipt. If the notice does not comply with subsection B of this section, the membership camping operator or his assigns shall inform the purchaser or his successors in interest, in writing, within ten days after its receipt, of the specific reasons why the notice does not comply.

- D. All moneys collected by the membership camping operator pursuant to the membership camping contract prior to notification by the purchaser or his successor in interest pursuant to subsection B of this section shall remain the property of the membership camping operator.
- E. Upon satisfaction of all provisions of subsection B of this section, the purchaser or his successor in interest shall have no rights or obligations under the membership camping contract and the membership camping operator or his assigns shall make no claims against the purchaser or his successor in interest thereunder.

Membership camping contracts

The membership camping operator shall deliver to his purchaser a fully executed copy of the membership camping contract, which contract shall include at least the following information:

1. The actual date the membership camping contract is executed by the purchaser.
2. The name of the membership camping operator and the address of his principal place of business.
3. The total financial obligation imposed upon the purchaser by the contract, including the initial purchase price and any additional charges which the purchaser may be required to pay.
4. A description of the nature and duration of the membership being purchased including any interest in real property.
5. A statement that the membership camping operator, salesperson, or any other person who is in the business of offering for sale or transfer the rights under existing membership camping contracts for a fee is required by the Virginia Membership Camping Act (§59.1-311 et seq.) to provide each purchaser with a copy of the membership camping operator's disclosure statement prior to execution of such contract and that a failure to do so is a violation of the Act.
6. The following statement shall appear in the contract, under its own paragraph, and conspicuously placed:

PURCHASER'S NONWAIVABLE RIGHT TO CANCEL shall appear at the beginning of the said paragraph in boldfaced type of a minimum of ten points, immediately preceding the following statement which shall appear in type no smaller than the other provisions of the contract:

YOU AS THE PURCHASER HAVE A NONWAIVABLE 7-CALENDAR-DAY RIGHT OF CANCELLATION. THIS RIGHT OF CANCELLATION IS FULLY EXPLAINED ON THE COVER SHEET OF THE MEMBERSHIP CAMPING OPERATOR'S DISCLOSURE STATEMENT. YOU ARE URGED TO REVIEW THE DISCLOSURE STATEMENT PRIOR TO THE EXECUTION OF THIS CONTRACT FOR A COMPLETE UNDERSTANDING OF YOUR RIGHT OF CANCELLATION. IN ADDITION, AFTER THE INITIAL 7-CALENDAR-DAY CANCELLATION PERIOD, YOU THE PURCHASER OR YOUR SUCCESSOR IN INTEREST MAY TERMINATE YOUR LIABILITY UNDER THE MEMBERSHIP CAMPING CONTRACT INCLUDING PAYMENT OF ANY MEMBERSHIP FEES, DUES, AND ASSESSMENTS UPON YOUR GIVING PROPER AND EFFECTIVE NOTICE TO THE MEMBERSHIP CAMPING

OPERATOR. TO BE EFFECTIVE, THE NOTICE MUST BE IN WRITING AND SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND IT MUST CONTAIN: (1) YOUR TRANSFER OF ANY AND ALL RIGHTS, TITLE, AND INTEREST YOU HAVE IN THE MEMBERSHIP CAMPING CONTRACT AND CAMPGROUND BACK TO THE MEMBERSHIP CAMPING OPERATOR; (2) A RECORDABLE DEED, DULY EXECUTED AND NOTARIZED, AND THE RECORDING FEE, IF YOU RECEIVED A RECORDED DEED FROM THE MEMBERSHIP CAMPNG OPERATOR; (3) PAYMENTS OF (I) THE UNPAID BALANCE OF THE PURCHASE PRICE AND ANY ACCRUED UNPAID INTEREST THEREON AND (II) ALL UNPAID MEMBERSHIP FEES, DUES, AND ASSESSMENTS WITH ACCRUED INTEREST THEREON PERMITTED BY THE MEMERSHIP CAMPING CONTRACT; AND (4) PAYMENT OF ALL OTHER UNPAID FINANCIAL OBLIGATIONS OWED BY YOU THE PURCHASER PURSUANT TO THE MEMBERSHIP CAMPING CONTRACT.

7. The full name of all salespersons involved in the execution of the membership camping contract.

8. A statement that contains, in boldface type, the name, address, and telephone number of the Virginia Department of Agriculture and Consumer Services, Office of Charitable and Regulatory Programs, stating that the agency is the regulatory agency handling consumer complaints regarding membership campgrounds.

Escrow and bonding

A. All purchase money received from or on behalf of a purchaser in connection with the execution of a membership camping contract shall be deposited and held in escrow until the expiration of the time for cancellation has expired unless a later time is provided in the membership camping contract. If the contract has not been canceled, any purchase money received from a purchaser may be released to the membership camping operator upon:

1. The conveying to the purchaser of the title to, interest in, or right or license to use the campground and facilities as required in the membership camping contract; or
2. The forfeiture of the purchase money by the purchaser under the terms of the membership camping contract.

B. In lieu of depositing purchase money into an escrow account, the membership camping operator may file and maintain with the Commissioner a surety bond or an irrevocable letter of credit. The penalty of the bond or letter of credit shall be adjusted in accordance with the following schedule:

Total Amount of Purchase Money Held	Penalty of bond/letter of credit
\$0 to \$200,000	\$50,000
\$200,000 to \$500,000	\$75,000
Over \$500,000	\$100,000

C. The amount of purchase money paid by purchasers held at any one time by the membership camping operator shall not exceed the amount for which the operator is bonded or the letter of credit is issued in accordance with the schedule set forth in subsection B.

D. In addition to any bonding requirements contained in this section, the membership camping operator shall file and maintain with the Commissioner a payment and performance bond or irrevocable letter of credit with surety issued in favor of the Commissioner for the benefit of the purchasers and which guarantees the completion of all incomplete or planned facilities constructed or to be constructed in this Commonwealth as outline or listed in either the membership camping contract or the membership camping operator's disclosure statement. The penalty of the bond or letter of credit shall be in an amount equal to the cost of completing the incomplete or planned facilities as of the date of its issuance or as of the membership camping operator's application for continued registration date as provided in §59.1-320.1, whichever is later.

Resale of memberships

In the event of the resale of a membership by a purchaser (owner), the owner must provide to the new purchaser before the execution of any instrument of conveyance a copy of the membership camping contract and a certificate containing the required statements provided under §59.1-331 (A). The membership camping operator, within ten days after receipt of a written request by an owner, must provide the information as stated in §59.1-331 (B).