

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact §§ 54.1-2346, 54.1-2347, 54.1-2349, 54.1-2353, 55-79.74:1, 55-79.97, 55-79.97:1, 55-509, 55-509.3, 55-509.6, and 55-509.7 of the Code of Virginia, relating to common interest communities.

[H 1674]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2346, 54.1-2347, 54.1-2349, 54.1-2353, 55-79.74:1, 55-79.97, 55-79.97:1, 55-509, 55-509.3, 55-509.6, and 55-509.7 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-2346. License required; certification of employees; renewal; provisional license.

A. Unless exempted by § 54.1-2347, any person, partnership, corporation, or other entity offering management services to a common interest community on or after January 1, 2009, shall hold a valid license issued in accordance with the provisions of this chapter prior to engaging in such management services.

B. Unless exempted by § 54.1-2347, any person, partnership, corporation, or other entity offering management services to a common interest community without being licensed in accordance with the provisions of this chapter, shall be subject to the provisions of § 54.1-111.

C. On or after July 1, ~~2011~~ 2012, it shall be a condition of the issuance or renewal of the license of a common interest community manager that all employees of the common interest community manager who have principal responsibility for management services provided to a common interest community or who have supervisory responsibility for employees who participate directly in the provision of management services to a common interest community shall, within two years after employment with the common interest community manager, hold a certificate issued by the Board certifying the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community or shall be under the direct supervision of a certified employee of such common interest community manager. A common interest community manager shall notify the Board if a certificated employee is discharged or in any way terminates his active status with the common interest community manager.

D. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the common interest community manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall include coverage for losses of clients of the common interest community manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the common interest community manager during the prior fiscal year. The minimum coverage amount shall be \$10,000.

E. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager certifies to the Board (i) that the common interest community manager is in good standing and authorized to transact business in Virginia; (ii) that the common interest community manager has established a code of conduct for the officers, directors, and persons employed by the common interest community manager to protect against conflicts of interest; (iii) that the common interest community manager provides all management services pursuant to written contracts with the associations to which such services are provided; (iv) that the common interest community manager has established a system of internal accounting controls to manage the risk of fraud or illegal acts; and (v) that an independent certified public accountant reviews or audits the financial statements of the common interest community manager at least annually in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

F. The Board shall issue a provisional license to any person, partnership, corporation, or other entity offering management services to a common interest community on or before December 31, 2008, who makes application for licensure prior to January 1, 2009. Such provisional license ~~will~~ shall expire on June 30, ~~2011~~ 2012, and ~~may~~ shall not be renewed. This subsection shall not be construed to limit the powers and authority of the Board.

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57 § 54.1-2347. Exceptions and exemptions generally.

58 A. The provisions of this chapter shall not be construed to prevent or prohibit:

59 1. An employee of a duly licensed common interest community manager from providing management
60 services within the scope of the employee's employment by the duly licensed common interest
61 community manager;

62 2. An employee of an association from providing management services for that association's common
63 interest community;

64 3. A resident of a common interest community acting without compensation from providing
65 management services for that common interest community;

66 4. A resident of a common interest community from providing bookkeeping, billing, or record
67 keeping ~~record~~ *recordkeeping* services for that common interest community for compensation, provided the
68 *blanket* fidelity bond or *employee dishonesty insurance policy* maintained by the association insures the
69 association against losses resulting from theft or dishonesty committed by such person;

70 5. A member of the governing board of an association acting without compensation from providing
71 management services for that association's common interest community;

72 6. A person acting as a receiver or trustee in bankruptcy in the performance of his duties as such or
73 any person acting under order of any court from providing management services for a common interest
74 community;

75 7. A duly licensed attorney-at-law from representing an association or a common interest community
76 manager in any business that constitutes the practice of law;

77 8. A duly licensed certified public accountant from providing bookkeeping or accounting services to
78 an association or a common interest community manager;

79 9. A duly licensed real estate broker or agent from selling, leasing, renting, or managing lots within a
80 common interest community; or

81 10. An association, exchange agent, exchange company, managing agent, or managing entity of a
82 time-share project registered pursuant to the Virginia Real Estate Time-Share Act (§ 55-360 et seq.)
83 from providing management services for such time-share project.

84 B. A licensee of the Board shall comply with the Board's regulations, notwithstanding the fact that
85 the licensee would be otherwise exempt from licensure under subsection A. Nothing in this subsection
86 shall be construed to require a person to be licensed in accordance with this chapter if he would be
87 otherwise exempt from such licensure.

88 § 54.1-2349. Powers and duties of the Board.

89 A. The Board shall administer and enforce the provisions of this chapter. In addition to the
90 provisions of §§ 54.1-201 and 54.1-202, the Board shall:

91 1. Promulgate regulations necessary to carry out the requirements of this chapter in accordance with
92 the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) to include but not be limited to the
93 prescription of fees, procedures, and qualifications for the issuance and renewal of common interest
94 community manager licenses. The Board shall annually assess each common interest community
95 manager an amount equal to the lesser of (i) \$1,000, or such other amount as the Board may establish
96 by regulation, or (ii) five hundredths of one percent (0.05%) of the gross receipts from common interest
97 community management during the preceding calendar year. For the purposes of clause (ii), no
98 minimum payment shall be less than \$10. The annual payment shall be remitted to the State Treasurer
99 and shall be placed to the credit of the Common Interest Community Management Fund established
100 pursuant to § 55-529;

101 2. Establish criteria for the licensure of common interest community managers to ensure the
102 appropriate training and educational credentials for the provision of management services to common
103 interest communities. Such criteria may include experiential requirements and shall include designation
104 as an Accredited Association Management Company by the Community Associations Institute. As an
105 additional alternative to such designation, the Board shall have authority, by regulation, to include one
106 of the following: (i) successful completion of another Board-approved training program and certifying
107 examination, or (ii) successful completion of a Virginia testing program to determine the quality of the
108 training and educational credentials for and competence of common interest community managers;

109 3. Establish criteria for the certification of the employees of common interest community managers
110 who have principal responsibility for management services provided to a common interest community or
111 who have supervisory responsibility for employees who participate directly in the provision of
112 management services to a common interest community to ensure the person possesses the character and
113 minimum skills to engage properly in the provision of management services to a common interest
114 community. Such criteria shall include designation as a Certified Manager of Community Associations
115 by the National Board of Certification for Community Association Managers, designation as an
116 Association Management Specialist by the Community Associations Institute, or designation as a
117 Professional Community Association Manager by the Community Associations Institute. As an additional

118 alternative to such designations, the Board shall have authority, by regulation, to include one of the
 119 following: (i) successful completion of another Board-approved training program *as developed by the*
 120 *Virginia Association of Realtors or other organization*, and certifying examination, or (ii) successful
 121 completion of a Virginia testing program to determine the quality of the training and educational
 122 credentials for and competence of the employees of common interest community managers who
 123 participate directly in the provision of management services to a common interest community. The fee
 124 paid to the Board for the issuance of such certificate shall be paid to the Common Interest Community
 125 Management Information Fund established pursuant to § 55-529;

126 4. Approve the criteria for accredited common interest community manager training programs;

127 5. Approve accredited common interest community manager training programs;

128 6. Establish, by regulation, standards of conduct for common interest community managers and for
 129 employees of common interest community managers certified in accordance with the provisions of this
 130 chapter; and

131 7. Establish, by regulation, an education-based certification program for persons who are involved in
 132 the business or activity of providing management services for compensation to common interest
 133 communities. The Board shall have the authority to approve training courses and instructors in
 134 furtherance of the provisions of this chapter.

135 B. 1. The Board shall have the sole responsibility for the administration of this chapter and for the
 136 promulgation of regulations to carry out the requirements thereof.

137 2. The Board shall also be responsible for the enforcement of this chapter, provided that the Real
 138 Estate Board shall have the sole responsibility for the enforcement of this chapter with respect to a real
 139 estate broker, real estate salesperson, or real estate brokerage firm licensed in accordance with Chapter
 140 21 (§ 54.1-2100 et seq.) who is also licensed as a common interest community manager.

141 3. For purposes of enforcement of this chapter or Chapter 4.2 (§ 55-79.39 et seq.), 21 (§ 55-360 et
 142 seq.), 24 (§ 55-424 et seq.), or 26 (§ 55-508 et seq.) of Title 55, any requirement for the conduct of a
 143 hearing shall be satisfied by an informal fact-finding proceeding convened and conducted pursuant to
 144 § 2.2-4019 of the Administrative Process Act (§ 2.2-4000 et seq.).

145 C. The Board is authorized to obtain criminal history record information from any state or federal
 146 law-enforcement agency relating to an applicant for licensure or certification. Any information so
 147 obtained is for the exclusive use of the Board and shall not be released to any other person or agency
 148 except in furtherance of the investigation of the applicant or with the authorization of the applicant or
 149 upon court order.

150 § 54.1-2353. Protection of the interests of associations; appointment of receiver for common interest
 151 community manager.

152 A. A common interest community manager owes a fiduciary duty to the associations to which it
 153 provides management services with respect to the manager's handling the funds or the records of each
 154 association. All funds deposited with the common interest community manager shall be handled in a
 155 fiduciary capacity and shall be kept in a separate fiduciary trust account or accounts in an FDIC-insured
 156 financial institution separate from the assets of the common interest community manager. The funds
 157 shall be the property of the association and shall be segregated for each depository in the records of the
 158 common interest community manager in a manner that permits the funds to be identified on an
 159 association basis. All records having administrative or fiscal value to the association that a common
 160 interest community manager holds, maintains, compiles, or generates on behalf of a common interest
 161 community are the property of the association. A common interest community manager may retain and
 162 dispose of association records in accordance with a policy contained in the contract between the
 163 common interest community manager and the association. Within a reasonable time after a written
 164 request for any such records, the common interest community manager shall provide copies of the
 165 requested records to the association at the association's expense. The common interest community
 166 manager shall return all association records that it retains and any originals of legal instruments or
 167 official documents that are in the possession of the common interest community manager to the
 168 association within a reasonable time after termination of the contract for management services without
 169 additional cost to the association. Records maintained in electronic format may be returned in such
 170 format.

171 B. If the Board has reasonable cause to believe that a common interest community manager is unable
 172 to properly discharge its fiduciary responsibilities to an association to which it provides management
 173 services, the Board may submit an ex parte petition to the circuit court of the city or county wherein the
 174 common interest community manager maintains an office or is doing business for the issuance of an
 175 order authorizing the immediate inspection by and production to representatives of the petitioner of any
 176 records, documents, and physical or other evidence belonging to the subject common interest community
 177 manager. The court may issue such order without notice to the common interest community manager if
 178 the petition, supported by affidavit of the petitioner and such other evidence as the court may require,

179 shows reasonable cause to believe that such action is required to prevent immediate loss of property of
180 one or more of the associations to which the subject common interest community manager provides
181 management services. The court may also temporarily enjoin further activity by the common interest
182 community manager and take such further action as shall be necessary to conserve, protect, and disburse
183 the funds involved, including the appointment of a receiver. The papers filed with the court pursuant to
184 this subsection shall be placed under seal.

185 C. If the Board has reasonable cause to believe that a common interest community manager is unable
186 to properly discharge its fiduciary responsibilities to an association to which it provides management
187 services, the Board may file a petition with the circuit court of the county or city wherein the subject
188 common interest community manager maintains an office or is doing business. The petition may seek
189 the following relief: (i) an injunction prohibiting the withdrawal of any bank deposits or the disposition
190 of any other assets belonging to or subject to the control of the subject common interest community
191 manager; and (ii) the appointment of a receiver for all or part of the funds or property of the subject
192 common interest community manager. The subject common interest community manager shall be given
193 notice of the time and place of the hearing on the petition and an opportunity to offer evidence. The
194 court, in its discretion, may require a receiver appointed pursuant to this section to post bond, with or
195 without surety. The papers filed with the court under this subsection shall be placed under seal until
196 such time as the court grants an injunction or appoints a receiver. The court may issue an injunction,
197 appoint a receiver, or provide such other relief as the court may consider proper if, after a hearing, the
198 court finds that such relief is necessary or appropriate to prevent loss of property of one or more of the
199 associations to which the subject common interest community manager provides management services.

200 D. In any proceeding under subsection C, any person or entity known to the Board to be indebted to
201 or having in his possession property, real or personal, belonging to or subject to the control of the
202 subject common interest community manager's business and which property the Board reasonably
203 believes may become part of the receivership assets, shall be served with a copy of the petition and
204 notice of the time and place of the hearing.

205 E. The court shall describe the powers and duties of the receiver in its appointing order, which may
206 be amended from time to time. The receiver shall, unless otherwise ordered by the court in the
207 appointing order, (i) prepare and file with the Board a list of all associations managed by the subject
208 common interest community manager; (ii) notify in writing all of the associations to which the subject
209 common interest community manager provides management services of the appointment, and take
210 whatever action the receiver deems appropriate to protect the interests of the associations until such time
211 as the associations have had an opportunity to obtain a successor common interest community manager;
212 (iii) facilitate the transfer of records and information to such successor common interest community
213 manager; (iv) identify and take control of all bank accounts, including without limitation trust and
214 operating accounts, over which the subject common interest community manager had signatory authority
215 in connection with its management business; (v) prepare and submit an accounting of receipts and
216 disbursements and account balances of all funds under the receiver's control for submission to the court
217 within four months of the appointment and annually thereafter until the receivership is terminated by the
218 court; (vi) attempt to collect any accounts receivable related to the subject common interest community
219 manager's business; (vii) identify and attempt to recover any assets wrongfully diverted from the subject
220 common interest community manager's business, or assets acquired with funds wrongfully diverted from
221 the subject common interest community manager's business; (viii) terminate the subject common interest
222 community manager's business; (ix) reduce to cash all of the assets of the subject common interest
223 community manager; (x) determine the nature and amount of all claims of creditors of the subject
224 common interest community manager, including associations to which the subject common interest
225 community manager provided management services; and (xi) prepare and file with the court a report of
226 such assets and claims proposing a plan for the distribution of funds in the receivership to such creditors
227 in accordance with the provisions of subsection F.

228 F. Upon the court's approval of the receiver's report referenced in subsection E, at a hearing after
229 such notice as the court may require to creditors, the receiver shall distribute the assets of the common
230 interest community manager and funds in the receivership first to clients whose funds were or ought to
231 have been held in a fiduciary capacity by the subject common interest community manager, then to the
232 receiver for fees, costs, and expenses awarded pursuant to subsection G, and thereafter to the creditors
233 of the subject common interest community manager, and then to the subject common interest community
234 manager or its successors in interest.

235 G. A receiver appointed pursuant to this section shall be entitled, upon proper application to the
236 court in which the appointment was made, to recover an award of reasonable fees, costs, and expenses.
237 If there are not sufficient nonfiduciary funds to pay the award, then the shortfall shall be paid by the
238 Common Interest Community Management ~~Information~~ Recovery Fund as a cost of administering the
239 Fund pursuant to ~~§ 55-530~~ § 55-530.1, to the extent that the said Fund has funds available. The Fund

240 shall have a claim against the subject common interest community manager for the amount paid.

241 H. The court may determine whether any assets under the receiver's control should be returned to the
242 subject common interest community manager.

243 I. If the Board shall find that any common interest community manager is insolvent, that its merger
244 into another common interest community manager is desirable for the protection of the associations to
245 which such common interest community manager provides management services, and that an emergency
246 exists, and, if the board of directors of such insolvent common interest community manager shall
247 approve a plan of merger of such common interest community manager into another common interest
248 community manager, compliance with the requirements of § 13.1-718 shall be dispensed with as to such
249 insolvent common interest community manager and the approval by the Board of such plan of merger
250 shall be the equivalent of approval by the holders of more than two-thirds of the outstanding shares of
251 such insolvent common interest community manager for all purposes of Article 12 (§ 13.1-715.1 et seq.)
252 of Chapter 9 of Title 13.1. If the Board finds that a common interest community manager is insolvent,
253 that the acquisition of its assets by another common interest community manager is in the best interests
254 of the associations to which such common interest community manager provides management services,
255 and that an emergency exists, it may, with the consent of the boards of directors of both common
256 interest community managers as to the terms and conditions of such transfer, including the assumption
257 of all or certain liabilities, enter an order transferring some or all of the assets of such insolvent
258 common interest community manager to such other common interest community manager, and no
259 compliance with the provisions of §§ 13.1-723 and 13.1-724 shall be required, nor shall §§ 13.1-730
260 through 13.1-741 be applicable to such transfer. In the case either of such a merger or of such a sale of
261 assets, the Board shall provide that prompt notice of its finding of insolvency and of the merger or sale
262 of assets be sent to the stockholders of record of the insolvent common interest community manager for
263 the purpose of providing such shareholders an opportunity to challenge the finding that the common
264 interest community manager is insolvent. The relevant books and records of such insolvent common
265 interest community manager shall remain intact and be made available to such shareholders for a period
266 of 30 days after such notice is sent. The Board's finding of insolvency shall become final if a hearing
267 before the Board is not requested by any such shareholder within such 30-day period. If, after such
268 hearing, the Board finds that such common interest community manager was solvent, it shall rescind its
269 order entered pursuant to this subsection and the merger or transfer of assets shall be rescinded. But if,
270 after such hearing, the Board finds that such common interest community manager was insolvent, its
271 order shall be final.

272 J. The provisions of this chapter are declared to be remedial. The purpose of this chapter is to protect
273 the interests of associations adversely affected by common interest community managers who have
274 breached their fiduciary duty. The provisions of this chapter shall be liberally administered in order to
275 protect those interests and thereby the public's interest in the quality of management services provided
276 by Virginia common interest community managers.

277 § 55-79.74:1. Books, minutes and records; inspection.

278 A. The declarant, the managing agent, the unit owners' association, or the person specified in the
279 bylaws of the association shall keep detailed records of the receipts and expenditures affecting the
280 operation and administration of the condominium and specifying the maintenance and repair expenses of
281 the common elements and any other expenses incurred by or on behalf of the association. Subject to the
282 provisions of subsections B, C and D, upon request, any unit owner shall be provided a copy of such
283 records and minutes. All financial books and records shall be kept in accordance with generally accepted
284 accounting practices.

285 B. Subject to the provisions of subsection C, all books and records kept by or on behalf of the unit
286 owners' association, including, but not limited to, the unit owners' association membership list, addresses
287 and aggregate salary information of unit owners' association employees, shall be available for
288 examination and copying by a unit owner in good standing or his authorized agent so long as the
289 request is for a proper purpose related to his membership in the unit owners' association, and not for
290 pecuniary gain or commercial solicitation. This right of examination shall exist without reference to the
291 duration of membership and may be exercised (i) only during reasonable business hours or at a mutually
292 convenient time and location and (ii) upon five days' written notice reasonably identifying the purpose
293 for the request and the specific books and records of the unit owners' association requested.

294 C. Books and records kept by or on behalf of a unit owners' association may be withheld from
295 examination or copying by unit owners and contract purchasers to the extent that they are drafts not yet
296 incorporated into the unit owners' association's books and records or if such books and records concern:

- 297 1. Personnel matters relating to specific, identified persons or a person's medical records;
- 298 2. Contracts, leases, and other commercial transactions to purchase or provide goods or services,
299 currently in or under negotiation;
- 300 3. Pending or probable litigation. Probable litigation means those instances where there has been a

301 specific threat of litigation from a party or the legal counsel of a party;

302 4. Matters involving state or local administrative or other formal proceedings before a government
303 tribunal for enforcement of the condominium instruments or rules and regulations promulgated pursuant
304 to ~~§ 55-513~~ by the executive organ;

305 5. Communications with legal counsel which relates to subdivisions 1 through 4 or which is
306 protected by the attorney-client privilege or the attorney work product doctrine;

307 6. Disclosure of information in violation of law;

308 7. Meeting minutes or other confidential records of an executive session of the executive organ held
309 pursuant to subsection C of § 55-79.75;

310 8. Documentation, correspondence or management or executive organ reports compiled for or on
311 behalf of the unit owners' association or the executive organ by its agents or committees for
312 consideration by the executive organ in executive session; or

313 9. Individual unit owner or member files, other than those of the requesting unit owner, including
314 any individual unit owner's files kept by or on behalf of the unit owners' association.

315 D. Prior to providing copies of any books and records, the unit owners' association may impose and
316 collect a charge, reflecting the reasonable costs of materials and labor, not to exceed the actual costs
317 thereof.

318 § 55-79.97. Resale by purchaser.

319 A. In the event of any resale of a condominium unit by a unit owner other than the declarant, and
320 subject to the provisions of subsection F and § 55-79.87 A, the unit owner shall disclose in the contract
321 that (i) the unit is located within a development which is subject to the Condominium Act, (ii) the Act
322 requires the seller to obtain from the unit owners' association a resale certificate and provide it to the
323 purchaser, (iii) the purchaser may cancel the contract within three days after receiving the resale
324 certificate *or being notified that the resale certificate will not be available*, (iv) if the purchaser has
325 received the resale certificate, the purchaser has a right to request a resale certificate update or financial
326 update in accordance with § 55-79.97:1, as appropriate, and (v) the right to receive the resale certificate
327 and the right to cancel the contract are waived conclusively if not exercised before settlement.

328 *For purposes of clause (iii), the resale certificate shall be deemed not to be available if (a) a current*
329 *annual report has not been filed by the unit owners' association with either the State Corporation*
330 *Commission pursuant to § 13.1-936 or the Common Interest Community Board pursuant to § 55-79.93:1,*
331 *(b) the seller has made a written request to the unit owners' association that the resale certificate be*
332 *provided and no such resale certificate has been received within 14 days in accordance with subsection*
333 *C, or (c) written notice has been provided by the unit owners' association that a resale certificate is not*
334 *available.*

335 B. If the contract does not contain the disclosure required by subsection A, the purchaser's sole
336 remedy is to cancel the contract prior to settlement.

337 C. The information contained in the resale certificate shall be current as of a date specified on the
338 resale certificate. A resale certificate update or a financial update may be requested as provided in
339 § 55-79.97:1, as appropriate. The purchaser may cancel the contract (i) within three days after the date
340 of the contract, if the purchaser receives the resale certificate on or before the date that the purchaser
341 signs the contract; (ii) within three days after receiving the resale certificate if the resale certificate is
342 hand delivered or delivered by electronic means and a receipt obtained; or (iii) within six days after the
343 postmark date if the resale certificate is sent to the purchaser by United States mail. Notice of
344 cancellation shall be provided to the unit owner or his agent by one of the following methods:

345 a. Hand delivery;

346 b. United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which
347 may be either a United States postal certificate of mailing or a certificate of service prepared by the
348 sender confirming such mailing;

349 c. Electronic means provided the sender retains sufficient proof of the electronic delivery, which may
350 be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate
351 of service prepared by the sender confirming the electronic delivery; or

352 d. Overnight delivery using a commercial service or the United States Postal Service.

353 In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of
354 cancellation. Such cancellation shall be without penalty, and the unit owner shall cause any deposit to be
355 returned promptly to the purchaser.

356 A resale certificate shall include the following:

357 1. An appropriate statement pursuant to subsection H of § 55-79.84 which need not be notarized and,
358 if applicable, an appropriate statement pursuant to § 55-79.85;

359 2. A statement of any expenditure of funds approved by the unit owners' association or the executive
360 organ which shall require an assessment in addition to the regular assessment during the current or the
361 immediately succeeding fiscal year;

362 3. A statement, including the amount, of all assessments and any other fees or charges currently
 363 imposed by the unit owners' association, together with any known post-closing fee charged by the
 364 common interest community manager, if any, and associated with the purchase, disposition and
 365 maintenance of the condominium unit and the use of the common elements, and the status of the
 366 account;

367 4. A statement whether there is any other entity or facility to which the unit owner may be liable for
 368 fees or other charges;

369 5. The current reserve study report or a summary thereof, a statement of the status and amount of
 370 any reserve or replacement fund and any portion of the fund designated for any specified project by the
 371 executive organ;

372 6. A copy of the unit owners' association's current budget or a summary thereof prepared by the unit
 373 owners' association and a copy of the statement of its financial position (balance sheet) for the last fiscal
 374 year for which a statement is available, including a statement of the balance due of any outstanding
 375 loans of the unit owners' association;

376 7. A statement of the nature and status of any pending suits or unpaid judgments to which the unit
 377 owners' association is a party which either could or would have a material impact on the unit owners'
 378 association or the unit owners or which relates to the unit being purchased;

379 8. A statement setting forth what insurance coverage is provided for all unit owners by the unit
 380 owners' association, including the fidelity bond maintained by the unit owners' association, and what
 381 additional insurance coverage would normally be secured by each individual unit owner;

382 9. A statement that any improvements or alterations made to the unit, or the limited common
 383 elements assigned thereto, are or are not in violation of the condominium instruments;

384 10. A copy of the current bylaws, rules and regulations and architectural guidelines adopted by the
 385 unit owners' association and the amendments thereto;

386 11. A statement of whether the condominium or any portion thereof is located within a development
 387 subject to the Property Owners' Association Act (§ 55-508 et seq.) of Chapter 26 of this title;

388 12. A copy of the notice given to the unit owner by the unit owners' association of any current or
 389 pending rule or architectural violation;

390 13. A copy of any approved minutes of the executive organ and unit owners' association meetings for
 391 the six calendar months preceding the request for the resale certificate;

392 14. Certification that the unit owners' association has filed with the Common Interest Community
 393 Board the annual report required by § 55-79.93:1; which certification shall indicate the filing number
 394 assigned by the Common Interest Community Board and the expiration date of such filing;

395 15. A statement of any limitation on the number of persons who may occupy a unit as a dwelling;
 396 and

397 16. A statement setting forth any restrictions, limitation or prohibition on the right of a unit owner to
 398 display the flag of the United States, including, but not limited to reasonable restrictions as to the size,
 399 time, place, and manner of placement or display of such flag.

400 Failure to receive a resale certificate shall not excuse any failure to comply with the provisions of
 401 the condominium instruments, articles of incorporation, or rules or regulations.

402 The resale certificate shall be delivered in accordance with the written request and instructions of the
 403 seller or his authorized agent, including whether the resale certificate shall be delivered electronically or
 404 in hard copy, and shall specify the complete contact information for the parties to whom the resale
 405 certificate shall be delivered. The resale certificate shall be delivered within 14 days of receipt of such
 406 request. The resale certificate shall not, in and of itself, be deemed a security within the meaning of
 407 § 13.1-501.

408 D. The seller or his authorized agent may request that the resale certificate be provided in hard copy
 409 or in electronic form. A unit owners' association or common interest community manager may provide
 410 the resale certificate electronically; however, the seller or his authorized agent shall have the right to
 411 request that the resale certificate be provided in hard copy. The seller or his authorized agent shall
 412 continue to have the right to request a hard copy of the resale certificate in person at the principal place
 413 of business of the unit owners' association. If the seller or his authorized agent requests that the resale
 414 certificate be provided in electronic format, neither the unit owners' association nor its common interest
 415 community manager may require the seller or his authorized agent to pay any fees to use the provider's
 416 electronic network or system. If the seller or his authorized agent asks that the resale certificate be
 417 provided in electronic format, the seller or his authorized agent may designate no more than two
 418 additional recipients to receive the resale certificate in electronic format at no additional charge.

419 E. Subject to the provisions of § 55-79.87, but notwithstanding any other provisions of this chapter,
 420 the provisions and requirements of this section shall apply to any such resale of a condominium unit
 421 created under the provisions of the Horizontal Property Act (§ 55-79.1 et seq.).

422 F. The resale certificate required by this section need not be provided in the case of:

- 423 1. A disposition of a unit by gift;
 424 2. A disposition of a unit pursuant to court order if the court so directs; ~~or~~
 425 3. A disposition of a unit by foreclosure or deed in lieu of foreclosure; *or*
 426 4. *A disposition of a unit by a sale at auction, when the resale certificate was made available as*
 427 *part of the auction package for prospective purchasers prior to the auction.*

428 G. In any transaction in which a resale certificate is required and a trustee acts as the seller in the
 429 sale or resale of a unit, the trustee shall obtain the resale certificate from the unit owners' association
 430 and provide the resale certificate to the purchaser.

431 § 55-79.97:1. Fees for resale certificate.

432 A. The unit owners' association may charge fees as authorized by this section for the inspection of
 433 the property, the preparation and issuance of the resale certificate required § 55-79.97, and for such other
 434 services as are set out in this section.

435 B. A reasonable fee may be charged by the preparer of the resale certificate as follows for:

436 1. The inspection of the unit, as authorized in the declaration and as required to prepare the resale
 437 certificate, a fee not to exceed \$100;

438 2. The preparation and delivery of the resale certificate in (i) paper format, a fee not to exceed \$150
 439 for no more than two hard copies, or (ii) electronic format, a fee not to exceed \$125, for no more than
 440 two electronic copies. Only one fee shall be charged for the preparation and delivery of the resale
 441 certificate;

442 3. At the option of the seller or his authorized agent, with the consent of the unit owners' association
 443 or the common interest community manager, expediting the inspection, preparation, and delivery of the
 444 resale certificate, an additional expedite fee not to exceed \$50;

445 4. At the option of the seller or his authorized agent, an additional hard copy of the resale certificate,
 446 a fee not to exceed \$25 per hard copy;

447 5. At the option of the seller or his authorized agent, a fee not to exceed an amount equal to the
 448 actual cost paid to a third-party commercial delivery service for hand delivery or overnight delivery of
 449 the resale certificate; and

450 6. A post-closing fee to the purchaser of the unit, collected at settlement, for the purpose of
 451 establishing the purchaser as the owner of the unit in the records of the unit owners' association, a fee
 452 not to exceed \$50.

453 Neither the unit owners' association nor its common interest community manager shall require cash,
 454 check, certified funds, or credit card payments at the time the request for the resale certificate is made.

455 For purposes of this section, an expedite fee shall only be charged if the inspection and preparation
 456 of delivery of the resale certificate are completed within five business days of the request for a resale
 457 certificate.

458 C. No fees other than those specified in this section, and as limited by this section, shall be charged
 459 by the unit owners' association or its common interest community manager for compliance with the
 460 duties and responsibilities of the unit owners' association under this section. The unit owners' association
 461 or its common interest community manager shall publish and make available in paper or electronic
 462 format, or both, a schedule of the applicable fees so that the seller or his authorized agent will know
 463 such fees at the time of requesting the resale certificate.

464 D. Any fees charged pursuant to this section shall be collected at the time settlement occurs on the
 465 sale of the unit and shall be due and payable out of the settlement proceeds in accordance with this
 466 section. The seller shall be responsible for all costs associated with the preparation and delivery of the
 467 resale certificate, except for the costs of any resale certificate update or financial update, which costs
 468 shall be the responsibility of the requestor, payable at settlement. Neither the unit owners' association
 469 nor its common interest community manager shall require cash, check, certified funds, or credit card
 470 payments at the time the request is made for the resale certificate.

471 E. If settlement does not occur within ~~90~~ 45 days of the delivery of the resale certificate, or funds
 472 are not collected at settlement and disbursed to the unit owners' association or the common interest
 473 community manager, all fees, including those costs that would have otherwise been the responsibility of
 474 the purchaser or settlement agent, shall be assessed against the unit owner, shall be the personal
 475 obligation of the unit owner, and shall be an assessment against the unit and collectible as any other
 476 assessment in accordance with the provisions of the declaration and § 55-79.83. The seller may pay the
 477 unit owners' association by cash, check, certified funds, or credit card, if credit card payment is an
 478 option offered by the unit owners' association. The unit owners' association shall pay the common
 479 interest community manager the amount due from the unit owner within 30 days after invoice.

480 F. The maximum allowable fees charged in accordance with this section shall adjust every five years,
 481 as of January 1 of that year, in an amount equal to the annual increases for that five-year period in the
 482 United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published
 483 by the Bureau of Labor Statistics of the U.S. Department of Labor.

484 G. If a resale certificate has been issued within the preceding 12-month period, a person specified in
 485 the written instructions of the seller or his authorized agent, including the seller or his authorized agent
 486 or the purchaser or his authorized agent, may request a resale certificate update. The requestor shall
 487 specify whether the resale certificate update shall be delivered electronically or in hard copy and shall
 488 specify the complete contact information of the parties to whom the update shall be delivered. The
 489 resale certificate update shall be delivered within 10 days of the written request.

490 H. The settlement agent may request a financial update. The requestor shall specify whether the
 491 financial update shall be delivered electronically or in hard copy and shall specify the complete contact
 492 information of the parties to whom the update shall be delivered. The financial update shall be delivered
 493 within three business days of the written request.

494 I. A reasonable fee for the resale certificate update or financial update may be charged by the
 495 preparer, not to exceed \$50. At the option of the purchaser or his authorized agent, the requestor may
 496 request that the unit owners' association or the common interest community manager perform an
 497 additional inspection of the unit, as authorized in the declaration, for a fee not to exceed \$100. Any fees
 498 charged for the specified update shall be collected at the time settlement occurs on the sale of the
 499 property. Neither the unit owners' association nor its common interest community manager, if any, shall
 500 require cash, check, certified funds, or credit card payments at the time the request is made for the
 501 resale certificate update. The requestor may request that the specified update be provided in hard copy
 502 or in electronic form.

503 J. No unit owners' association or common interest community manager may require the requestor to
 504 request the specified update electronically. The seller or his authorized agent shall continue to have the
 505 right to request a hard copy of the specified update in person at the principal place of business of the
 506 unit owners' association. If the requestor asks that the specified update be provided in electronic format,
 507 neither the unit owners' association nor its common interest community manager may require the
 508 requester to pay any fees to use the provider's electronic network or system. A copy of the specified
 509 update shall be provided to the seller or his authorized agent.

510 K. When a resale certificate has been delivered as required by § 55-79.97, the unit owners'
 511 association shall, as to the purchaser, be bound by the statements set forth therein as to the status of the
 512 assessment account and the status of the unit with respect to any violation of the condominium
 513 instruments as of the date of the statement unless the purchaser had actual knowledge that the contents
 514 of the resale certificate were in error.

515 L. If the unit owners' association or its common interest community manager has been requested in
 516 writing to furnish the resale certificate required by § 55-79.97, failure to provide the resale certificate
 517 substantially in the form provided in this section shall be deemed a waiver of any claim for delinquent
 518 assessments or of any violation of the declaration, bylaws, rules and regulations, or architectural
 519 guidelines existing as of the date of the request with respect to the subject unit. The preparer of the
 520 resale certificate shall be liable to the seller in an amount equal to the actual damages sustained by the
 521 seller in an amount not to exceed \$1,000. The purchaser shall nevertheless be obligated to abide by the
 522 condominium instruments, rules and regulations, and architectural guidelines of the unit owners'
 523 association as to all matters arising after the date of the settlement of the sale.

524 § 55-509. Definitions.

525 As used in this chapter, unless the context requires a different meaning:

526 "Act" means the Virginia Property Owners' Association Act.

527 "Association" means the property owners' association.

528 "Board of directors" means the executive body of a property owners' association, or a committee
 529 which is exercising the power of the executive body by resolution or bylaw.

530 "Capital components" means those items, whether or not a part of the common area, for which the
 531 association has the obligation for repair, replacement or restoration and for which the board of directors
 532 determines funding is necessary.

533 "Common area" means property within a development which is owned, leased or required by the
 534 declaration to be maintained or operated by a property owners' association for the use of its members
 535 and designated as common area in the declaration.

536 "Common interest community" means the same as that term is defined in § 55-528.

537 "Common interest community manager" means the same as that term is defined in § 54.1-2345.

538 "Declarant" means the person or entity signing the declaration and its successors or assigns who may
 539 submit property to a declaration.

540 "Declaration" means any instrument, however denominated, recorded among the land records of the
 541 county or city in which the development or any part thereof is located, that either (i) imposes on the
 542 association maintenance or operational responsibilities for the common area or (ii) creates the authority
 543 in the association to impose on lots, or on the owners or occupants of such lots, or on any other entity
 544 any mandatory payment of money in connection with the provision of maintenance and/or services for

545 the benefit of some or all of the lots, the owners or occupants of the lots, or the common area.
 546 "Declaration" includes any amendment or supplement to the instruments described in this definition.
 547 "Declaration" shall not include a declaration of a condominium, real estate cooperative, time-share
 548 project or campground.

549 "Development" means real property located within this Commonwealth subject to a declaration which
 550 contains both lots, at least some of which are residential or are occupied for recreational purposes, and
 551 common areas with respect to which any person, by virtue of ownership of a lot, is a member of an
 552 association and is obligated to pay assessments provided for in a declaration.

553 "Disclosure packet update" means an update of the financial information referenced in subdivisions A
 554 2 through A 9 of § 55-509.5. The update shall include a copy of the original disclosure packet.

555 "Financial update" means an update of the financial information referenced in subdivisions A 2
 556 through A 7 of § 55-509.5.

557 "Lot" means (i) any plot or parcel of land designated for separate ownership or occupancy shown on
 558 a recorded subdivision plat for a development or the boundaries of which are described in the
 559 declaration or in a recorded instrument referred to or expressly contemplated by the declaration, other
 560 than a common area, and (ii) a unit in a condominium association or a unit in a real estate cooperative
 561 if the condominium or cooperative is a part of a development.

562 "Meeting" or "meetings" means the formal gathering of the board of directors where the business of
 563 the association is discussed or transacted.

564 "*Professionally managed*" means a common interest community that has engaged (i) a common
 565 interest community manager to provide management services to the community or (ii) a person as an
 566 employee for compensation to provide management services to the community, other than a resident of
 567 the community who provides bookkeeping, billing, or recordkeeping services for that community.

568 "Property owners' association" or "association" means an incorporated or unincorporated entity upon
 569 which responsibilities are imposed and to which authority is granted in the declaration.

570 "Settlement agent" means the same as that term is defined in § 6.1-2.20.

571 § 55-509.3. Association charges.

572 Except as expressly authorized in this chapter, in the declaration, or otherwise provided by law, no
 573 association may (i) make an assessment or impose a charge against a lot or a lot owner unless the
 574 charge is a fee for services provided or related to use of the common area or (ii) charge a fee related to
 575 the provisions set out in § 55-509.6 or 55-509.7 that is not expressly authorized in those sections.

576 § 55-509.6. Fees for disclosure packet; professionally managed associations.

577 A. ~~The~~ A *professionally managed* association or its common interest community manager may charge
 578 certain fees as authorized by this section for the inspection of the property, the preparation and issuance
 579 of the disclosure packet required § 55-509.5, and for such other services as set out in this section. The
 580 seller or his authorized agent shall specify whether the disclosure packet shall be delivered electronically
 581 or in hard copy, and shall specify the complete contact information for the parties to whom the
 582 disclosure packet shall be delivered. If the seller or his authorized agent specifies that delivery shall be
 583 made to the purchaser or his authorized agent or settlement agent, the preparer shall provide the
 584 disclosure packet directly to the designated persons, at the same time it is delivered to the seller or his
 585 authorized agent.

586 B. A reasonable fee may be charged by the preparer as follows for:

587 1. The inspection of the exterior of the dwelling unit and the lot, as authorized in the declaration and
 588 as required to prepare the association disclosure packet, a fee not to exceed \$100;

589 2. The preparation and delivery of the disclosure packet in (i) paper format, a fee not to exceed \$150
 590 for no more than two hard copies or (ii) electronic format, a fee not to exceed \$125 for no more than
 591 two electronic copies. Only one fee shall be charged for the preparation and delivery of the disclosure
 592 packet;

593 3. At the option of the seller or his authorized agent, with the consent of the association or the
 594 common interest community manager, expediting the inspection, preparation and delivery of the
 595 disclosure packet, an additional expedite fee not to exceed \$50;

596 4. At the option of the seller or his authorized agent, an additional hard copy of the disclosure
 597 packet, a fee not to exceed \$25 per hard copy;

598 5. At the option of the seller or his authorized agent, a fee not to exceed an amount equal to the
 599 actual cost paid to a third-party commercial delivery service for hand delivery or overnight delivery of
 600 the association disclosure packet; and

601 6. A post-closing fee to the purchaser of the property, collected at settlement, for the purpose of
 602 establishing the purchaser as the owner of the property in the records of the association, a fee not to
 603 exceed \$50.

604 Except as otherwise provided in subsection E, neither the association nor its common interest
 605 community manager shall require cash, check, certified funds or credit card payments at the time the

606 request for the disclosure packet is made.

607 For purposes of this section, an expedite fee shall only be charged if the inspection and preparation
608 of delivery of the disclosure packet are completed within five business days of the request for a
609 disclosure packet.

610 C. No fees other than those specified in this section, and as limited by this section, shall be charged
611 by the association or its common interest community manager for compliance with the duties and
612 responsibilities of the association under this chapter. The association or its common interest community
613 manager shall publish and make available in paper or electronic format, or both, a schedule of the
614 applicable fees so the seller or his authorized agent will know such fees at the time of requesting the
615 packet.

616 D. Any fees charged pursuant to this section shall be collected at the time of settlement on the sale
617 of the lot and shall be due and payable out of the settlement proceeds in accordance with this section.
618 The seller shall be responsible for all costs associated with the preparation and delivery of the
619 association disclosure packet, except for the costs of any disclosure packet update or financial update,
620 which costs shall be the responsibility of the requestor, payable at settlement. Neither the association nor
621 its common interest community manager shall require cash, check, certified funds, or credit card
622 payments at the time of the request is made for the association disclosure packet.

623 E. If settlement does not occur within ~~90~~ 45 days of the delivery of the disclosure packet, or funds
624 are not collected at settlement and disbursed to the association or the common interest community
625 manager, all fees, including those costs that would have otherwise been the responsibility of the
626 purchaser or settlement agent, shall be assessed against the lot owner and shall be the personal
627 obligation of the lot owner and shall be an assessment against the lot and collectible as any other
628 assessment in accordance with the provisions of the declaration and § 55-516. The seller may pay the
629 association by cash, check, certified funds, or credit card, if credit card payment is an option offered by
630 the association. The association shall pay the common interest community manager the amount due from
631 the lot owner within 30 days after invoice.

632 F. The maximum allowable fees charged in accordance with this section shall adjust every five years,
633 as of January 1 of that year, in an amount equal to the annual increases for that five-year period in the
634 United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published
635 by the Bureau of Labor Statistics of the U.S. Department of Labor.

636 G. If an association disclosure packet has been issued for a lot within the preceding 12-month period,
637 a person specified in the written instructions of the seller or his authorized agent, including the seller or
638 his authorized agent, or the purchaser or his authorized agent may request a disclosure packet update.
639 The requestor shall specify whether the disclosure packet update shall be delivered electronically or in
640 hard copy, and shall specify the complete contact information of the parties to whom the update shall be
641 delivered. The disclosure packet update shall be delivered within 10 days of the written request.

642 H. The settlement agent may request a financial update. The requestor shall specify whether the
643 financial update shall be delivered electronically or in hard copy, and shall specify the complete contact
644 information of the parties to whom the update shall be delivered. The financial update shall be delivered
645 within three business days of the written request.

646 I. A reasonable fee for the disclosure packet update or financial update may be charged by the
647 preparer not to exceed \$50. At the option of the purchaser or his authorized agent, the requestor may
648 request that the association or the common interest community manager perform an additional inspection
649 of the exterior of the dwelling unit and the lot, as authorized in the declaration, for a fee not to exceed
650 \$100. Any fees charged for the specified update shall be collected at the time settlement occurs on the
651 sale of the property. Neither the association nor its common interest community manager, if any, shall
652 require cash, check, certified funds, or credit card payments at the time the request is made for the
653 disclosure packet update. The requestor may request that the specified update be provided in hard copy
654 or in electronic form.

655 J. No association or common interest community manager may require the requestor to request the
656 specified update electronically. The seller or his authorized agent shall continue to have the right to
657 request a hard copy of the specified update in person at the principal place of business of the
658 association. If the requestor asks that the specified update be provided in electronic format, neither the
659 association nor its common interest community manager may require the requester to pay any fees to
660 use the provider's electronic network or system. A copy of the specified update shall be provided to the
661 seller or his authorized agent.

662 K. When an association disclosure packet has been delivered as required by § 55-509.5, the
663 association shall, as to the purchaser, be bound by the statements set forth therein as to the status of the
664 assessment account and the status of the lot with respect to any violation of the declaration, bylaws,
665 rules and regulations, architectural guidelines and articles of incorporation, if any, of the association as
666 of the date of the statement unless the purchaser had actual knowledge that the contents of the

667 disclosure packet were in error.

668 L. If the association or its common interest community manager has been requested in writing to
 669 furnish the association disclosure packet required by § 55-509.5, failure to provide the association
 670 disclosure packet substantially in the form provided in this section shall be deemed a waiver of any
 671 claim for delinquent assessments or of any violation of the declaration, bylaws, rules and regulations, or
 672 architectural guidelines existing as of the date of the request with respect to the subject lot. The preparer
 673 of the association disclosure packet shall be liable to the seller in an amount equal to the actual damages
 674 sustained by the seller in an amount not to exceed \$1,000. The purchaser shall nevertheless be obligated
 675 to abide by the declaration, bylaws, rules and regulations, and architectural guidelines of the association
 676 as to all matters arising after the date of the settlement of the sale.

677 § 55-509.7. Fees for disclosure packets; associations not professionally managed.

678 A. ~~The~~ An association *that is not professionally managed* may charge a fee for the preparation and
 679 issuance of the association disclosure packet required by § 55-509.5. Any fee shall reflect the actual cost
 680 of the preparation of the association disclosure packet, but shall not exceed \$0.10 per page of copying
 681 costs or a total of \$100 for all costs incurred in preparing the association disclosure packet. The seller or
 682 his authorized agent shall specify whether the association disclosure packet shall be delivered
 683 electronically or in hard copy and shall specify the complete contact information of the parties to whom
 684 the disclosure packet shall be delivered. If the seller or his authorized agent specifies that delivery shall
 685 be made to the purchaser or his authorized agent, the preparer shall provide the disclosure packet
 686 directly to the designated persons, at the same time it is delivered to the seller or his authorized agent.
 687 The association shall advise the requestor if electronic delivery of the disclosure packet or the disclosure
 688 packet update or financial update is not available, if electronic delivery has been requested by the seller
 689 or his authorized agent.

690 B. No fees other than those specified in this section shall be charged by the association for
 691 compliance with its duties and responsibilities under this section. Any fees charged pursuant to this
 692 section shall be collected at the time of delivery of the disclosure packet. If unpaid, any such fees shall
 693 be an assessment against the lot and collectible as any other assessment in accordance with the
 694 provisions of the declaration and § 55-516. The seller may pay the association by cash, check, certified
 695 funds, or credit card, if credit card payment is an option offered by the association.

696 C. If an association disclosure packet has been issued for a lot within the preceding 12-month period,
 697 a person specified in the written instructions of the seller or his authorized agent, including the seller or
 698 his authorized agent, or the purchaser or his authorized agent may request a disclosure packet update.
 699 The requestor shall specify whether the disclosure packet update shall be delivered electronically or in
 700 hard copy and shall specify the complete contact information of the parties to whom the specified
 701 update shall be delivered. The disclosure packet update shall be delivered within 10 days of the written
 702 request therefor.

703 D. The settlement agent may request a financial update. The requestor shall specify whether the
 704 financial update shall be delivered electronically or in hard copy, and shall specify the complete contact
 705 information of the parties to whom the update shall be delivered. The financial update shall be delivered
 706 within three business days of the written request therefor.

707 E. A reasonable fee for the disclosure packet update or a financial update may be charged by the
 708 preparer not to exceed \$50. At the option of the purchaser or his authorized agent, the requestor may
 709 request that the association perform an additional inspection of the exterior of the dwelling unit and the
 710 lot, as authorized in the declaration, for a fee not to exceed \$50. Any fees charged for the specified
 711 update shall be collected at the time of delivery of the update. The association shall not require cash,
 712 check, certified funds, or credit card payments at the time the request is made for the disclosure packet
 713 update. The requestor may request that the specified update be provided in hard copy or in electronic
 714 form.

715 F. No association may require the requestor to request the specified update electronically. The seller
 716 or his authorized agent shall continue to have the right to request a hard copy of the specified update in
 717 person at the principal place of business of the association. If the requestor asks that the specified
 718 update be provided in electronic format, the association shall not require the requester to pay any fees to
 719 use the provider's electronic network or system. If the requestor asks that the specified update be
 720 provided in electronic format, the requestor may designate no more than two additional recipients to
 721 receive the specified update in electronic format at no additional charge. A copy of the specified update
 722 shall be provided to the seller or his authorized agent.

723 G. When a disclosure packet has been delivered as required by § 55-509.5, the association shall, as
 724 to the purchaser, be bound by the statements set forth therein as to the status of the assessment account
 725 and the status of the lot with respect to any violation of the declaration, bylaws, rules and regulations,
 726 architectural guidelines and articles of incorporation, if any, of the association as of the date of the
 727 statement unless the purchaser had actual knowledge that the contents of the disclosure packet were in

728 error.

729 H. If the association has been requested to furnish the association disclosure packet required by this
730 section, failure to provide the association disclosure packet substantially in the form provided in this
731 section shall be deemed a waiver of any claim for delinquent assessments or of any violation of the
732 declaration, bylaws, rules and regulations, or architectural guidelines existing as of the date of the
733 request with respect to the subject lot. The association shall be liable to the seller in an amount equal to
734 the actual damages sustained by the seller in an amount not to exceed \$500. The purchaser shall
735 nevertheless be obligated to abide by the declaration, bylaws, rules and regulations, and architectural
736 guidelines of the association as to all matters arising after the date of the settlement of the sale.

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