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HOUSE BILL NO. 1031

Offered January 10, 2018

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A BILL to amend and reenact §§ 55-509.4 through 55-509.7 of the Code of Virginia, relating to common interest communities; disclosure packets.

Patrons—Watts and Rodman

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 55-509.4 through 55-509.7 of the Code of Virginia are amended and reenacted as follows:

§ 55-509.4. Contract disclosure statement; right of cancellation; use of for sale sign in connection with resale; designation of authorized representative.

A. Subject to the provisions of subsection A of § 55-509.10, an owner selling a lot shall disclose in the contract that (i) the lot is located within a development that is subject to the Virginia Property Owners' Association Act (§ 55-508 et seq.); (ii) the Act requires the seller to obtain from the property owners' association an association disclosure packet and provide it to the purchaser; (iii) the purchaser may cancel the contract within three days after receiving the association disclosure packet or being notified that the association disclosure packet will not be available; (iv) if the purchaser has received the association disclosure packet, the purchaser has a right to request an update of such disclosure packet in accordance with subsection H of § 55-509.6 or subsection E of § 55-509.7, as appropriate; and (v) the right to receive the association disclosure packet and the right to cancel the contract are waived conclusively if not exercised before settlement.

For purposes of clause (iii), the association disclosure packet shall be deemed not to be available if (a) a current annual report has not been filed by the association with either the State Corporation Commission pursuant to § 13.1-936 or with the Common Interest Community Board pursuant to § 55-516.1, (b) the seller has made a written request to the association that the packet be provided and no such packet has been received within 14 days in accordance with subsection A of § 55-509.5, or (c) written notice has been provided by the association that a packet is not available.

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

C. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet prepared in accordance with this section; however, a disclosure packet update or financial update may be requested in accordance with subsection G of § 55-509.6 or subsection E of § 55-509.7, as appropriate. The purchaser may cancel the contract: (i) within three days after the date of the contract, if on or before the date that the purchaser signs the contract, the purchaser receives the association disclosure packet or is notified that the association disclosure packet will not be available; (ii) within three days after receiving the association disclosure packet if the association disclosure packet or notice that the association disclosure packet will not be available is hand delivered, delivered by electronic means, or delivered by a commercial overnight delivery service or the United States Postal Service, and a receipt obtained; or (iii) within six days after the postmark date if the association disclosure packet or notice that the association disclosure packet will not be available is sent to the purchaser by United States mail. The purchaser may also cancel the contract at any time prior to settlement if the purchaser has not been notified that the association disclosure packet will not be available and the association disclosure packet is not delivered to the purchaser.

Notice of cancellation shall be provided to the lot owner or his agent by one of the following methods:

1. Hand delivery;
 2. United States mail, postage prepaid, provided the sender retains sufficient proof of mailing, which may be either a United States postal certificate of mailing or a certificate of service prepared by the sender confirming such mailing;
 3. Electronic means provided the sender retains sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery; or
 4. Overnight delivery using a commercial service or the United States Postal Service.
- In the event of a dispute, the sender shall have the burden to demonstrate delivery of the notice of

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59 cancellation. Such cancellation shall be without penalty, and the seller shall cause any deposit to be
60 returned promptly to the purchaser.

61 D. Whenever any contract is canceled based on a failure to comply with subsection A or C or
62 pursuant to subsection B, any deposit or escrowed funds shall be returned within 30 days of the
63 cancellation, unless the parties to the contract specify in writing a shorter period.

64 E. Any rights of the purchaser to cancel the contract provided by this chapter are waived
65 conclusively if not exercised prior to settlement.

66 F. Except as expressly provided in this chapter, the provisions of this section and § 55-509.5 may not
67 be varied by agreement, and the rights conferred by this section and § 55-509.5 may not be waived.

68 G. For purposes of this chapter:

69 "Delivery" means that the disclosure packet is delivered to the purchaser or purchaser's authorized
70 agent by one of the methods specified in this section.

71 "Purchaser's authorized agent" means any person designated by such purchaser in a ratified real estate
72 contract for purchase and sale of residential real property or other writing designating such agent.

73 "Receives, received, or receiving" the disclosure packet means that the purchaser or purchaser's
74 authorized agent has received the disclosure packet by one of the methods specified in this section.

75 "Seller's authorized agent" means a person designated by such seller in a ratified real estate contract
76 for purchase and sale of residential real property or other writing designating such agent.

77 H. Unless otherwise provided in the ratified real estate contract or other writing, delivery to the
78 purchaser's authorized agent shall require delivery to such agent and not to a person other than such
79 agent. Delivery of the disclosure packet may be made by the lot owner or the lot owner's authorized
80 agent.

81 I. If the lot is governed by more than one association, the purchaser's right of cancellation may be
82 exercised within the required time frames following delivery of the last disclosure packet or resale
83 certificate.

84 J. Except as expressly authorized in this chapter or in the declaration or as otherwise provided by
85 law, no property owners' association shall:

86 1. Require the use of any for sale sign that is (i) an association sign or (ii) a real estate sign that
87 does not comply with the requirements of the Real Estate Board. An association may, however, prohibit
88 the placement of signs in the common area and establish reasonable rules and regulations that regulate
89 (a) the number of real estate signs to be located on real property upon which the owner has a separate
90 ownership interest or a right of exclusive possession so long as at least one real estate sign is permitted;
91 (b) the geographical location of real estate signs on real property in which the owner has a separate
92 ownership interest or a right of exclusive possession, so long as the location of the real estate signs
93 complies with the requirements of the Real Estate Board; (c) the manner in which real estate signs are
94 affixed to real property; and (d) the period of time after settlement when the real estate signs on such
95 real property shall be removed; or

96 2. Require any lot owner to execute a formal power of attorney if the lot owner designates a person
97 licensed under the provisions of § 54.1-2106.1 as the lot owner's authorized representative, and the
98 association shall recognize such representation without a formal power of attorney, provided that the
99 association is given a written authorization signed by the lot owner designating such representative.
100 Notwithstanding the foregoing, the requirements of § 13.1-849 of the Virginia Nonstock Corporation Act
101 (§ 13.1-801 et seq.) and the association's declaration, bylaws, and articles of incorporation shall be
102 satisfied before any such representative may exercise a vote on behalf of a lot owner as a proxy.

103 **§ 55-509.5. Contents of association disclosure packet; delivery of packet.**

104 A. The association shall deliver, within 14 days after receipt of a written request and instructions by
105 a seller or the seller's authorized agent, an association disclosure packet as directed in the written
106 request. The information contained in the association disclosure packet shall be current as of a date
107 specified on the association disclosure packet. If hand or electronically delivered, the written request is
108 deemed received on the date of delivery. If sent by United States mail, the request is deemed received
109 six days after the postmark date. An association disclosure packet shall contain the following:

110 1. The name of the association and, if incorporated, the state in which the association is incorporated
111 and the name and address of its registered agent in Virginia;

112 2. A statement of any expenditure of funds approved by the association or the board of directors that
113 shall require an assessment in addition to the regular assessment during the current year or the
114 immediately succeeding fiscal year;

115 3. A statement, including the amount of all assessments and any other mandatory fees or charges
116 currently imposed by the association, together with any post-closing fee charged by the common interest
117 community manager, if any, and associated with the purchase, disposition, and maintenance of the lot
118 and to the right of use of common areas, and the status of the account;

119 4. A statement of whether there is any other entity or facility to which the lot owner may be liable
120 for fees or other charges;

5. The current reserve study report or summary thereof, a statement of the status and amount of any reserve or replacement fund, and any portion of the fund allocated by the board of directors for a specified project;

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

7. A statement of the nature and status of any pending suit or unpaid judgment to which the association is a party and that either could or would have a material impact on the association or its members or that relates to the lot being purchased;

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

9. A statement that any improvement or alteration made to the lot, or uses made of the lot or common area assigned thereto are or are not in violation of the declaration, bylaws, rules and regulations, architectural guidelines and articles of incorporation, if any, of the association;

10. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale;

11. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to display any flag on the owner's lot, including but not limited to reasonable restrictions as to the size, place, and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag;

12. A statement setting forth any restriction, limitation, or prohibition on the right of a lot owner to install or use solar energy collection devices on the owner's property;

13. A copy of the current declaration, the association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the association;

14. A copy of any approved minutes of the board of directors and association meetings for the six calendar months preceding the request for the disclosure packet;

15. A copy of the notice given to the lot owner by the association of any current or pending rule or architectural violation;

16. A copy of the fully completed one-page cover sheet developed by the Common Interest Community Board pursuant to § 54.1-2350;

17. Certification that the association has filed with the Common Interest Community Board the annual report required by § 55-516.1, which certification shall indicate the filing number assigned by the Common Interest Community Board, and the expiration date of such filing; and

18. A statement indicating any known project approvals currently in effect issued by secondary mortgage market agencies.

B. Failure to receive copies of an association disclosure packet shall not excuse any failure to comply with the provisions of the declaration, articles of incorporation, bylaws, or rules or regulations.

C. The disclosure packet shall be delivered in accordance with the written request and instructions of the seller or the seller's authorized agent, including whether the disclosure packet shall be delivered electronically or in hard copy, and shall specify the complete contact information for the parties to whom the disclosure packet shall be delivered. *However, no association that is not professionally managed shall be required to provide electronic delivery of the disclosure packet if such an option is not available to the association. If electronic delivery has been requested by the seller or his authorized agent, the association shall advise the requester that electronic delivery is not available.* The disclosure packet required by this section, shall not, in and of itself, be deemed a security within the meaning of § 13.1-501.

D. The seller or the seller's authorized agent may request that the disclosure packet be provided in hard copy or in electronic form. An association or common interest community manager may provide the disclosure packet electronically; however, the seller or the seller's authorized agent shall have the right to request that the association disclosure packet be provided in hard copy. The seller or the seller's authorized agent shall continue to have the right to request a hard copy of the disclosure packet in person at the principal place of business of the association. If the seller or the seller's authorized agent requests that the disclosure packet be provided in electronic format, neither the association nor its common interest community manager may require the seller or the seller's authorized agent to pay any fees to use the provider's electronic network or system. The disclosure packet shall not be delivered in hard copy if the requester has requested delivery of such disclosure packet electronically. If the disclosure packet is provided electronically by a website link, the preparer shall not cause the website link to expire within the subsequent 90-day period. The preparer shall not charge another fee during the subsequent 12-month period, except that the preparer may charge an update fee for a financial update or

for an inspection as provided in § 55-509.6. If the seller or the seller's authorized agent asks that the disclosure packet be provided in electronic format, the seller or the seller's authorized agent may request that an electronic copy be provided to each of the following named in the request: the seller, the seller's authorized agent, the purchaser, the purchaser's authorized agent, and not more than one other person designated by the requester. If so requested, the property owners' association or its common interest community manager may require the seller or the seller's authorized agent to pay the fee specified in § 55-509.6. Regardless of whether the disclosure packet is delivered in paper form or electronically, the preparer of the disclosure packet shall provide such disclosure packet directly to the persons designated by the requester to the addresses or, if applicable, the email addresses provided by the requester.

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

A. A professionally managed association or its common interest community manager may charge certain fees as authorized by this section for the inspection of the property, the preparation and issuance of the disclosure packet required by § 55-509.5, and for such other services as set out in this section. The seller or the seller's authorized agent shall specify in writing whether the disclosure packet shall be delivered electronically or in hard copy, at the option of the seller or the seller's authorized agent, and shall specify the complete contact information for the parties to whom the disclosure packet shall be delivered.

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

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

2. The preparation and delivery of the disclosure packet in (i) paper format, a fee not to exceed \$150 for no more than two hard copies or (ii) electronic format, a fee not to exceed a total of \$125 for an electronic copy to each of the following named in the request: the seller, the seller's authorized agent, the purchaser, the purchaser's authorized agent, and not more than one other person designated by the requester. The preparer of the disclosure packet shall provide the disclosure packet directly to the designated persons. Only one fee shall be charged for the preparation and delivery of the disclosure packet;

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

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

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

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

Except as otherwise provided in subsection E, neither the association nor its common interest community manager shall require cash, check, certified funds or credit card payments at the time the request for the disclosure packet is made. The disclosure packet shall state that all fees and costs for the disclosure packet shall be the personal obligation of the lot owner and shall be an assessment against the lot and collectible as any other assessment in accordance with the provisions of the declaration and § 55-516, if not paid at settlement or within 60 days of the delivery of the disclosure packet, whichever occurs first.

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

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

D. Any fees charged pursuant to this section shall be collected at the time of settlement on the sale of the lot and shall be due and payable out of the settlement proceeds in accordance with this section. The settlement agent shall escrow a sum sufficient to pay such costs of the seller at settlement. The seller shall be responsible for all costs associated with the preparation and delivery of the association disclosure packet, except for the costs of any disclosure packet update or financial update, which costs shall be the responsibility of the requester, payable at settlement. Neither the association nor its common interest community manager shall require cash, check, certified funds, or credit card payments at the

time of the request is made for the association disclosure packet.

E. If settlement does not occur within 60 days of the delivery of the disclosure packet, or funds are not collected at settlement and disbursed to the association or the common interest community manager, all fees, including those costs that would have otherwise been the responsibility of the purchaser or settlement agent, shall be (i) assessed within one year after delivery of the disclosure packet against the lot owner, (ii) the personal obligation of the lot owner, and (iii) an assessment against the lot and collectible as any other assessment in accordance with the provisions of the declaration and § 55-516. The seller may pay the association by cash, check, certified funds, or credit card, if credit card payment is an option offered by the association. The association shall pay the common interest community manager the amount due from the lot owner within 30 days after invoice.

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

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

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

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

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

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

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

M. The Common Interest Community Board may assess a monetary penalty for failure to deliver the association disclosure packet within 14 days against any (i) property owners' association pursuant to § 54.1-2351 or (ii) common interest community manager pursuant to § 54.1-2349 and regulations promulgated thereto, and may issue a cease and desist order pursuant to § 54.1-2349 or 54.1-2352, as

305 applicable.

306 *N. No association may collect any fees under this section unless it has (i) registered with the*
307 *Common Interest Community Board, (ii) filed its most recent annual report with the Common Interest*
308 *Community Board, and (iii) paid its annual assessment to the Common Interest Community Board*
309 *pursuant to § 55-530.1.*

310 **§ 55-509.7. Fees for disclosure packets; associations not professionally managed.**

311 A. An association that is not professionally managed may charge a fee for the preparation and
312 issuance of the association disclosure packet required by § 55-509.5. Any fee shall reflect the actual cost
313 of the preparation of the association disclosure packet, but shall not exceed \$0.10 per page of copying
314 costs or a total of \$100 for all costs incurred in preparing the association disclosure packet. The seller or
315 his authorized agent shall specify whether the association disclosure packet shall be delivered
316 electronically or in hard copy and shall specify the complete contact information of the parties to whom
317 the disclosure packet shall be delivered. If the seller or his authorized agent specifies that delivery shall
318 be made to the purchaser or his authorized agent, the preparer shall provide the disclosure packet
319 directly to the designated persons, at the same time it is delivered to the seller or his authorized agent.
320 The association shall advise the requestor if electronic delivery of the disclosure packet or the disclosure
321 packet update or financial update is not available, if electronic delivery has been requested by the seller
322 or his authorized agent.

323 B. *At the option of the seller or the seller's authorized agent, with the consent of the association, a*
324 *reasonable fee may be charged for (i) expediting the inspection, preparation and delivery of the*
325 *disclosure packet, if completed within five business days of the request, not to exceed \$50; (ii) an*
326 *additional hard copy of the disclosure packet not to exceed \$25 per hard copy; and (iii) third-party*
327 *commercial delivery service for hand delivery or overnight delivery of the association disclosure packet*
328 *not to exceed an amount equal to the actual cost paid.*

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

335 ~~C.~~ D. If an association disclosure packet has been issued for a lot within the preceding 12-month
336 period, a person specified in the written instructions of the seller or his authorized agent, including the
337 seller or his authorized agent, or the purchaser or his authorized agent may request a disclosure packet
338 update. The requestor shall specify whether the disclosure packet update shall be delivered electronically
339 or in hard copy and shall specify the complete contact information of the parties to whom the specified
340 update shall be delivered. The disclosure packet update shall be delivered within 10 days of the written
341 request therefor.

342 ~~D.~~ E. The settlement agent may request a financial update. The requestor shall specify whether the
343 financial update shall be delivered electronically or in hard copy, and shall specify the complete contact
344 information of the parties to whom the update shall be delivered. The financial update shall be delivered
345 within three business days of the written request therefor.

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

354 ~~F.~~ G. No association may require the requestor to request the specified update electronically. The
355 seller or his authorized agent shall continue to have the right to request a hard copy of the specified
356 update in person at the principal place of business of the association. If the requestor asks that the
357 specified update be provided in electronic format, the association shall not require the requester to pay
358 any fees to use the provider's electronic network or system. If the requestor asks that the specified
359 update be provided in electronic format, the requestor may designate no more than two additional
360 recipients to receive the specified update in electronic format at no additional charge. A copy of the
361 specified update shall be provided to the seller or his authorized agent.

362 ~~G.~~ H. When a disclosure packet has been delivered as required by § 55-509.5, the association shall,
363 as to the purchaser, be bound by the statements set forth therein as to the status of the assessment
364 account and the status of the lot with respect to any violation of the declaration, bylaws, rules and
365 regulations, architectural guidelines and articles of incorporation, if any, of the association as of the date
366 of the statement unless the purchaser had actual knowledge that the contents of the disclosure packet

367 were in error.

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

376 *J. No association may collect any fees under this section unless it has (i) registered with the*
377 *Common Interest Community Board, (ii) filed its most recent annual report with the Common Interest*
378 *Community Board, and (iii) paid its annual assessment to the Common Interest Community Board*
379 *pursuant to § 55-530.1.*

380 *K. An association that is not professionally managed that acts as a professionally managed*
381 *association for the purposes of § 55-509.6 shall have the responsibilities and liabilities of an association*
382 *that is professionally managed and shall collect fees as set out in § 55-509.6, provided that the*
383 *association that is not professionally managed does not use any person who is not exempt under*
384 *§ 54.1-2347 to provide services to the association for compensation for the preparation and issuance of*
385 *the disclosure packet unless the person is licensed as a common interest community manager.*