

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
PERIMETER CENTER  
9960 MAYLAND DRIVE  
RICHMOND, VIRGINIA 23233**

**COMMON INTEREST COMMUNITY BOARD**

*Tentative AGENDA*

**THURSDAY, JUNE 9, 9:30 A.M.  
2<sup>nd</sup> FLOOR, BOARD ROOM 3**

**I. CALL TO ORDER**

**II. EMERGENCY EVACUATION PROCEDURES**

**III. APPROVAL OF AGENDA**

- a. Board Agenda, June 9, 2022

**IV. APPROVAL OF MINUTES**

- a. Board Meeting, March 3, 2022

**V. INTRODUCTION OF STAFF**

**VII. PUBLIC COMMENT PERIOD\***

**VIII. REVIEW FILES AND DISCIPLINARY MATTERS**

- a. File Number 2022-01042 United Property Associates Inc  
Consent Order (Foley)
- b. File Number 2022-02394 John T. Farnum, as Receiver for Lighthouse Properties of Virginia,  
Inc. (Recovery Fund Claim)
- c. Consider Temporary Cease and Desist Orders
  - 1. Condominium Registrations

**IX. BOARD BUSINESS**

- a. Update on Regulatory Actions
- b. Update on SB 740 Reserve Studies Workgroup
- c. Discussion on SB 693
  - 1. Authorize Formation of Advisory Panel
- d. Consider Revisions to Summary of Board Interpretations, Policies and Guidance Documents
- e. 2023 Legislative Items for Consideration
- f. Discussion of Training Program Review Committee Membership

**X. OTHER BUSINESS**

- a. Consider Request for Interpretation Regarding Applicability of License Exemptions
- b. 2022 Legislative Update
- c. Ombudsman Report
- d. Board Financial Statements
- e. Consider 2023 Meeting Dates
- f. 2022 Board Member Training Conference
- g. Other Board Business

**XI. COMPLETE CONFLICT OF INTEREST FORMS AND TRAVEL VOUCHERS**

**XII. ADJOURN**

**NEXT MEETING SCHEDULED FOR SEPTEMBER 22, 2022 at 9:30 A.M.**

\* Five minute public comment, per person, with the exception of any open disciplinary or application files.

\*\* Agenda materials made available to the public do not include disciplinary case files or application files pursuant to §54.1-108 of the *Code of Virginia*.

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-8510 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

DRAFT AGENDA  
Materials contained in this agenda are proposed for discussion  
and are not to be construed as regulation or official board position.  
DRAFT AGENDA

**PERIMETER CENTER CONFERENCE CENTER**  
**EMERGENCY EVACUATION OF BOARD AND TRAINING ROOMS**  
(Script to be read at the beginning of each meeting.)

**PLEASE LISTEN TO THE FOLLOWING INSTRUCTIONS ABOUT EXITING THE PREMISES IN THE EVENT OF AN EMERGENCY.**

In the event of a fire or other emergency requiring the evacuation of the building, alarms will sound. When the alarms sound, leave the room immediately. Follow any instructions given by Security staff

**Board Room 1**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Board Room 2**

Exit the room using one of the doors at the back of the room. (Point) Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

You may also exit the room using the side door, turn **Right** out the door and make an immediate **Left**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Board Rooms 3 and 4**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Training Room 1**

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

**Training Room 2**

Exit the room using one of the doors at the back of the room. Upon exiting the doors, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

## COMMON INTEREST COMMUNITY BOARD

### MINUTES OF MEETING

The Common Interest Community Board (Board) met on March 3, 2022, at the Department of Professional and Occupational Regulation (DPOR), 9960 Mayland Drive, 2<sup>nd</sup> Floor, Board Room 4, Richmond, Virginia 23233.

The following members were present:

Drew Mulhare, Chair  
Maureen A. Baker  
Matt Durham  
Jim Foley  
Eileen M. Greenberg  
Amanda Jonas  
David S. Mercer, Vice-Chair  
Lori Overholt  
Anne M. Sheehan  
Scott Sterling

Board member Katherine Waddell was not in attendance at the meeting.

DPOR staff present for all or part of the meeting included:

Demetrios J. Melis, Director  
R. Thomas Payne, Deputy Director  
Trisha L. Lindsey, Executive Director  
Heather Gillespie, Ombudsman  
Joseph C. Haughwout, Jr., Board and Regulatory Administrator  
Tanya M. Pettus, Board Administrator

Joshua Laws, Assistant Attorney General with the Office of the Attorney General, was present.

Finding a quorum of the Board present, Mr. Mulhare called the meeting to order at 9:45 a.m. **Call to Order**

Ms. Lindsey advised the Board of an amendment to the order in which agenda items would be presented. Ms. Jonas moved to approve the agenda as amended. Ms. Baker seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling. **Approval of Agenda**

Ms. Jonas moved to approve the following minutes as written:

- September 23, 2021, Board meeting minutes;

**Approval of Minutes**

- October 27, 2021, CIC Manager Regulatory Review Committee meeting minutes;
- December 2, 2021 CIC Manager Regulatory Review Committee meeting minutes; and,
- February 14, 2022, CIC Manager Regulatory Review Committee meeting minutes.

Ms. Greenberg seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

Ms. Lindsey introduced to the Board DPOR Deputy Director Thomas Payne.

**Introduction of New Deputy Director**

Ms. Lindsey also introduced newly-appointed Board member Matt Durham, who will serve as a citizen member. Ms. Lindsey advised the Board that Mr. Durham served as a member of the CIC Manager Regulatory Review Committee.

No members of the public present came forward to address the Board.

**Public Comment Period**

Mr. Haughwout asked the Board to consider issuance of a temporary cease and desist order against the condominium project registration of Colley Condominiums, a Condominium, for failure of the declarant, Colley Condominiums, LLC, to submit a complete annual report with evidence of a bond or letter of credit from a financial institution as required by § 55.1-1979 of the Code of Virginia, and Board Regulation 18 VAC 48-30-540. After discussion, Mr. Sterling moved to authorize staff to issue a temporary cease and desist order against the project registration of Colley Condominiums, a Condominium, and require Colley Condominiums, LLC, to submit a complete annual report to the Board within thirty (30) days of the effective date of the order, as failure to file an annual report would cause irreparable harm to the public interest, and violate § 55.1-1979 of the Code of Virginia. Ms. Greenberg seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

**Consider Temporary Cease & Desist Orders Regarding Condominium Registrations**

Mr. Haughwout asked the Board to consider issuance of a temporary cease and desist order against the condominium project registration of One Monument Avenue, a Condominium, for failure of the declarant, RICdl1, LLC, to submit a complete annual report with evidence of a bond or letter of credit from a financial institution as required by § 55.1-

1979 of the Code of Virginia, and Board Regulation 18 VAC 48-30-540. Mr. Haughwout advised that the issuer of the assessment letter of credit indicated that all units of the condominium had been sold. After discussion, Mr. Foley moved to authorize staff to issue a temporary cease and desist order against the project registration of One Monument Avenue, a Condominium, and require RICdl1, LLC to submit a complete annual report, or the appropriate documents necessary to terminate the declarant registration, to the Board within thirty (30) days of the effective date of the order, as failure to file an annual report would cause irreparable harm to the public interest, and violate § 55.1-1979 of the Code of Virginia. Ms. Greenberg seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

Mr. Haughwout asked the Board to consider issuance of a temporary cease and desist order against the condominium project registration of The Loggias at Cape Charles Condominium, for failure of the declarant, 209 Mason LLC, to submit a complete annual report with evidence of a bond or letter of credit from a financial institution as required by § 55.1-1979 of the Code of Virginia, and Board Regulation 18 VAC 48-30-540. Ms. Greenberg moved to authorize staff to issue a temporary cease and desist order against the project registration of The Loggias at Cape Charles Condominium, and require 209 Mason LLC to submit a complete annual report to the Board within thirty (30) days of the effective date of the order, as failure to file an annual report would cause irreparable harm to the public interest, and violate § 55.1-1979 of the Code of Virginia. Ms. Sheehan seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

Ms. Lindsey introduced to the Board newly-appointed agency Director Demetrios “Mitch” Melis.

**Introduction of  
Newly-Appointed  
Agency Director**

Mr. Haughwout provided an update on the current status of the regulatory review processes for the Board’s regulatory packages:

**Update on  
Regulatory Actions**

A 30-day public comment period on the Notice of Intended Regulatory Action (NOIRA) for a general review of the CIC Manager Regulations concluded on September 15, 2021. There were no public comments received. A CIC Manager Regulatory Review Committee was formed and met several times. Mr. Haughwout advised that the Committee’s recommendations and draft proposed amendments to the regulations would be presented for review and adoption later in the meeting.

Ms. Lindsey and Mr. Haughwout presented to the Board recommendations for legislative changes resulting from the review of CIC Manager Regulations by the CIC Manager Regulatory Review Committee.

**Consider Legislative Recommendations from CIC Manager Regulatory Review Committee**

After review and discussion, Mr. Durham moved to accept a recommendation to remove from the exemptions from licensure under § 54.1-2347 of the Code of Virginia the exemption for an employee of an association who provides management services to the association. Mr. Foley seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

After review and discussion, Mr. Mulhare moved that the Board not accept a recommendation to eliminate or reduce the two-year period outlined in § 54.1-2346 of the Code of Virginia for principal or supervisory employees to obtain certification by the Board after beginning employment with a common interest community manager. Ms. Jonas seconded the motion which was approved by: Baker, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling. Mr. Durham opposed. The motion passed by majority vote.

After review, Mr. Mulhare moved to accept a recommendation to change § 54.1-2349 of the Code of Virginia to permit a designation as an Accredited Association Management Company (AAMC) to be one criteria for licensure for a common interest community manager, rather than a mandated criterion. Ms. Overholt seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

After review and discussion, Mr. Mulhare moved to accept a recommendation eliminate the requirement in § 54.1-2346 of the Code of Virginia pertaining to CPA reviews or audits of the financial statements for common interest community managers. Mr. Durham seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

After review and discussion, Mr. Mulhare moved that the Board not accept a recommendation to review provisions in the Code of Virginia for fidelity bond/employee dishonesty insurance requirements for common interest community managers and associations. Ms. Overholt seconded the motion. After lengthy discussion, the motion was

approved by: Baker, Greenberg, Jonas, Mercer, Mulhare, Overholt, and Sterling. Mr. Durham, Mr. Foley, and Ms. Sheehan opposed the motion. The motion passed with majority vote.

After review and discussion, Mr. Mulhare moved to accept a recommendation to change § 54.1-2346 of the Code of Virginia to clarify that the amount of the fidelity bond or employee dishonesty insurance be based on all association funds under the control of the common interest community manager at the end of the most recent fiscal year. Mr. Durham seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

After review and discussion, Mr. Mulhare moved to accept a recommendation to remove the requirement in § 54.1-2353 of the Code of Virginia that association funds held by a common interest community manager be held in a trust account. Ms. Overholt seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

After review and discussion, Mr. Mulhare moved to accept a recommendation to consider legislation addressing the termination of the business of a sole proprietorship common interest community manager firm upon the death of a sole proprietor. After further discussion, Mr. Durham seconded the motion. Upon lengthy discussion, the motion was unanimously opposed by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling.

The accepted recommendations will be considered at the Board's next meeting as part of the Board's legislative wish list to be submitted for the 2023 General Assembly session.

The Board recessed from 11:47 a.m. to 12:02 p.m.

**Recess**

Ms. Gillespie provided the Board with a report on the Office of the Common Interest Community Ombudsman. The report contains statistics on complaints received by the Ombudsman's office, as well as compliance and enforcement statistics.

**Ombudsman Report**

Ms. Lindsey asked the Board to consider guidance for the procedure for consideration of claims for recovery from the CIC Management Recovery Fund. Pursuant to §54.1-2354.5 of the Code of Virginia, a claimant is required to make a "verified claim" in writing to the Director; however, the term "verified claim" is not defined in Chapter

**Consider Proposed  
Guidance Document  
on CIC  
Management**



23.3 of Title 54.1 of the Code of Virginia. In addition, the statute does not provide for procedures for consideration of a verified claim. After review and discussion, Mr. Mercer moved to adopt guidance that establishes (i) the requirements for a verified claim, including required supporting documentation; (ii) a process for staff review of a verified claim; (iii) requirements for notification to the claimant and the subject common interest community manager regarding the claim; (iv) requirements for Board consideration of a proper application for a verified claim; and (v) requirements for orders of the Board approving a verified claim. Ms. Overholt seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Overholt, Sheehan, and Sterling. During discussion, a typographical error in the proposed guidance document was noted for correction. The Board agreed by consensus to adopt the guidance document as amended.

**Recovery Fund  
Claim Procedure**

The guidance document will be published for a thirty-day public comment period, after which time it will become effective.

Ms. Lindsey reminded the Board that staff actively monitors legislation throughout General Assembly session and provides data and information regarding the Board and Department relevant to legislative proposals affecting the Board. Ms. Lindsey provided an update of legislative proposals that could affect DPOR and the Board.

**2022 Legislative  
Update**

Ms. Overholt left the meeting at 12:44 p.m.

**Departure of Board  
Member**

Ms. Lindsey provided the Board with the most recent financial statements. There have been no claims from the Recovery Fund.

**Board Financial  
Statements**

Board members considered the following Certificates of Appreciation for stakeholders who served on the CIC Manager Regulatory Review Committee.

**Consideration of  
Certificates of  
Appreciation for  
Service**

**Bonnie Herring**

WHEREAS, **Bonnie Herring**, did faithfully and diligently serve as a member of the CIC Manager Regulatory Review Committee of the Common Interest Community Board from August 2021 to February 2022; and

WHEREAS, **Bonnie Herring**, did devote generously of her time, talent and knowledge to the Committee; and

WHEREAS, **Bonnie Herring**, did endeavor at all times to serve with fairness and good judgement in the best interest of the citizens of the Commonwealth; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Bonnie Herring** be given all honors and respect due her for her outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Certificate of Appreciation be presented to her and recognized in the official minutes of the Board so that all may know of the high regard in which she is held by this Board.

#### **Christiaan Melson**

WHEREAS, **Chris Melson**, did faithfully and diligently serve as a member of the CIC Manager Regulatory Review Committee of the Common Interest Community Board from August 2021 to February 2022; and

WHEREAS, **Chris Melson**, did devote generously of his time, talent and knowledge to the Committee; and

WHEREAS, **Chris Melson**, did endeavor at all times to serve with fairness and good judgement in the best interest of the citizens of the Commonwealth; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Chris Melson** be given all honors and respect due him for his outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Certificate of Appreciation be presented to him and recognized in the official minutes of the Board so that all may know of the high regard in which he is held by this Board.

#### **Paul Orlando**

WHEREAS, **Paul Orlando**, did faithfully and diligently serve as a member of the CIC Manager Regulatory Review Committee of the Common Interest Community Board from August 2021 to February 2022; and

WHEREAS, **Paul Orlando**, did devote generously of his time, talent and knowledge to the Committee; and

WHEREAS, **Paul Orlando**, did endeavor at all times to serve with fairness and good judgement in the best interest of the citizens of the Commonwealth; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Paul Orlando** be given all honors and respect due him for his outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Certificate of Appreciation be presented to him and recognized in the official minutes of the Board so that all may know of the high regard in which he is held by this Board.

#### **Nancy “Nan” Piland**

WHEREAS, **Nan Piland**, did faithfully and diligently serve as a member of the CIC Manager Regulatory Review Committee of the Common Interest Community Board from August 2021 to February 2022; and

WHEREAS, **Nan Piland**, did devote generously of her time, talent and knowledge to the Committee; and

WHEREAS, **Nan Piland**, did endeavor at all times to serve with fairness and good judgement in the best interest of the citizens of the Commonwealth; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Nan Piland** be given all honors and respect due her for her outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Certificate of Appreciation be presented to her and recognized in the official minutes of the Board so that all may know of the high regard in which she is held by this Board.

#### **Lucia Anna “Pia” Trigiani**

WHEREAS, **Pia Trigiani**, did faithfully and diligently serve as a member of the CIC Manager Regulatory Review Committee of the

Common Interest Community Board from August 2021 to February 2022; and

WHEREAS, **Pia Trigiani**, did devote generously of her time, talent and knowledge to the Committee; and

WHEREAS, **Pia Trigiani**, did endeavor at all times to serve with fairness and good judgement in the best interest of the citizens of the Commonwealth; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Pia Trigiani** be given all honors and respect due her for her outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Certificate of Appreciation be presented to her and recognized in the official minutes of the Board so that all may know of the high regard in which he is held by this Board.

Mr. Mercer moved to adopt the certificates as written. Mr. Sterling seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Sheehan, and Sterling.

Mr. Mulhare expressed his appreciation to members of the Board who served on the Committee: Matt Durham, Jim Foley, Amanda Jonas, and Anne Sheehan.

Board members considered the following resolution for staff member Tanya Pettus, who has been promoted to another position within the agency:

**Tanya M. Pettus**

WHEREAS, **Tanya Pettus**, did faithfully and diligently serve the Common Interest Community Board from 2015 to 2022;

WHEREAS, **Tanya Pettus**, did devote generously of her time, talent and leadership to the Board;

WHEREAS, **Tanya Pettus**, did endeavor at all times to render decisions with fairness and good judgement in the best interest of the citizens of the Commonwealth and these professions; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in

high esteem by the members of the Board and the citizens of the Commonwealth;

NOW THEREFORE BE IT RESOLVED, by the Common Interest Community Board this third day of March 2022, that **Tanya Pettus** be given all honors and respect due her for her outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Resolution be presented to her and be made a part of the official minutes of the Board so that all may know of the high regard in which she is held by this Board.

Mr. Mulhare moved to adopt the resolution as written. Ms. Baker seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Sheehan, and Sterling.

Ms. Lindsey provided a brief overview of recent and upcoming events staff is scheduled to attend.

**Staff Event  
Calendar**

Ms. Lindsey opened the floor for annual nominations of the Board Chair. Ms. Jonas moved to nominate Mr. Mulhare. Mr. Durham seconded the motion. Mr. Mulhare accepted the nomination. The motion was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Sheehan, and Sterling. By acclamation, Mr. Mulhare was named Board Chair.

**Election of Officers**

Mr. Mulhare opened the floor for annual nominations of Board Vice-Chair. Ms. Sheehan moved to nominate Mr. Mercer. Mr. Mercer accepted the nomination. Ms. Greenberg seconded the motion, which was unanimously approved by: Baker, Durham, Foley, Greenberg, Jonas, Mercer, Mulhare, Sheehan, and Sterling. By acclamation, Mr. Mercer was named Board Vice-Chair.

Mr. Haughwout presented the Board with draft proposed amendments to the CIC Manager Regulations recommended by the CIC Manager Regulatory Review Committee. The proposed amendments included proposed changes to (i) entry requirements for common interest community managers and principal or supervisory employees; (ii) minimum training requirements; (iii) requirements for renewal and reinstatement of licenses and certificates; (iv) standards of conduct and practice; and (v) requirements for Board-approved training programs.

**Consider and Adopt  
Draft Proposed  
Amendments to CIC  
Manager  
Regulations**

Mr. Sterling left the meeting at 1:40 p.m.

**Departure of Board  
Members**

Ms. Jonas left the meeting at 2:11 p.m.

After review and lengthy discussion, Mr. Durham moved to authorize staff to file the draft proposed regulations as amended by the Board. Mr. Greenburg seconded the motion which was unanimously approved by: Baker, Durham, Foley, Greenberg, Mercer, Mulhare, and Sheehan.

**Consider and Adopt  
Draft Proposed  
Amendments to CIC  
Manager  
Regulations,  
Continued**

There being no further business, the meeting was adjourned at 2:43 p.m.

**Adjourn**

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Drew Mulhare, Chair

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Demetrios J. Melis, Secretary

# **INTRODUCTION OF STAFF**

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
and are not to be construed as regulation or official Board position.  
DRAFT AGENDA

# **PUBLIC COMMENT PERIOD**

Five minute public comment, per person, with the exception of any open disciplinary or application files.

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
and are not to be construed as a question or official Board decision.  
DRAFT AGENDA



# Common Interest Community Board

## Update on Regulatory Actions

(as of May 11, 2022)

### Action: CIC Manager Regulations – General Review

#### Current Stage: Proposed

- Board reviewed and considered committee recommendations, and adopted proposed regulatory text, with revisions, on 3/3/22.
- Proposed regulatory text submitted for Executive Branch review on 3/14/22.

#### Next Step: Executive Branch Review/Public Comment

- Following completion of Executive Branch review, publication of proposed regulation in Virginia Register, and 60-day public comment period. Comment period will include a public hearing.

# VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

## CHAPTER 421

*An Act to direct the Department of Professional and Occupational Regulation to establish a work group to study the adequacy of current laws addressing standards for structural integrity and for maintaining reserves to repair, replace, or restore capital components in common interest communities; report.*

[S 740]

Approved April 11, 2022

### **Be it enacted by the General Assembly of Virginia:**

**1. § 1. A.** *The Department of Professional and Occupational Regulation shall establish a work group to study the adequacy of current laws addressing standards for structural integrity and for maintaining reserves to repair, replace, or restore capital components in common interest communities. In conducting such study, the work group shall consider the following: (i) the development of common interest communities, including initial budget reserve funding, the filing of "as built" plans and specifications with the locality and delivery of such plans to the association of such common interest community, along with other transition documents, and increasing requirements for the issuance of certificates of occupancy; (ii) governing documents; (iii) reserve study requirements, including requirements for the frequency of such studies, the qualification of persons conducting such studies, and disclosure of such studies to purchasers and existing owners; (iv) budget requirements; (v) the authority of association boards to budget for reserves, expend funds for reserve projects, make special or additional assessments, and borrow funds to pay for projects; (vi) liability of associations and executive boards; (vii) inspections, including the authority of local governments to require inspections, funding for inspections, the scope, nature, and schedule of inspections, and qualifications of building inspectors; (viii) insurance coverage, including the scope of coverage, availability of products, adequacy or need for new or alternate products, feasibility of insurance inspections, and cost; (ix) education of association board members and owners; (x) judicial remedies, including an option to petition a court to authorize an assessment or alternative funding; and (xi) common interest community association management, including manager qualifications and self-management versus professional management.*

*B. The work group shall be composed of representatives of (i) the Common Interest Community Board, (ii) local governments, (iii) local and state building officials, (iv) common interest community property owners, (v) developers and builders, (vi) common interest community managers, (vii) community association attorneys, (viii) reserve specialists, (ix) professional engineers, (x) auditors, (xi) representatives of financial institutions, (xii) insurance professionals, (xiii) attorneys with experience representing individuals with property or personal injury claims; (xiv) the Office of the Common Interest Community Ombudsman; and (xv) volunteer community leaders.*

*C. The Department of Professional and Occupational Regulation shall report the work group's findings and provide recommendations, including any legislative recommendations, to the Chairs of the House Committee on General Laws and the Senate Committee on General Laws and Technology no later than April 1, 2023.*

# VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

## CHAPTER 244

*An Act to direct the Common Interest Community Board to review the feasibility of allowing audio and video recordings to be submitted with a notice of final adverse decision; report.*

[S 693]

Approved April 8, 2022

### **Be it enacted by the General Assembly of Virginia:**

**1.** § 1. *That the Common Interest Community Board (the Board) shall review the feasibility of allowing audio and video recordings to be submitted with a notice of final adverse decision as a record pertinent to the decision in accordance with § 54.1-2354.4 of the Code of Virginia. In conducting its review, the Board shall (i) solicit and consider public comments; (ii) identify pertinent statutory and regulatory amendments necessary to allow for the submission of audio and video recordings in accordance with the provisions of this act; (iii) identify any impediments to the submission of audio and video recordings, including information technology limitations and compliance with the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq. of the Code of Virginia) and other public records laws; and (iv) consider whether allowing the submission of audio and video recordings pursuant to the provisions of this act would assist the Common Interest Community Ombudsman in the performance of his duties with respect to any notice of final adverse decision.*

*The Board shall report its findings and any legislative, regulatory, policy, or budgetary recommendations to the Secretary of Labor and the Chairmen of the House Committee on General Laws and the Senate Committee on General Laws and Technology on or before November 1, 2022.*

## Common Interest Community Board

### Summary of Board Interpretations, Policies, and Guidance Documents

#### General

<b>Board Interpretations (General)</b>	
The Board discussed providing interpretations of statutes related to its programs. The Board considered whether it would entertain requests for interpretations that go beyond those interpretations necessary to administer its programs, enforce the regulations, and make case decisions. The Board agreed by consensus to limit its review to those interpretations that fall within the scope of the Board’s authority.	<a href="#"><u>10/13/09</u></a>
<b>Associations/Association Registration</b>	
<b>Reserve Balance</b>	
The Board discussed “reserve balance” as it is used in § 55-514.2(B) (now § 55.1-1827(B)) of the Property Owners Association Act and § 55-79.81(B) (now § 55.1-1963(B)) of the Virginia Condominium Act. The Board agreed by consensus this would be the amount in reserves at the end of the fiscal year, plus what they plan to add to the reserve balance, plus one-fourth of the planned assessment income for the coming year. The bond must cover the highest amount that the reserve balance could be during the year, plus one-fourth in accordance with the Code requirements.	<a href="#"><u>9/15/08</u></a>
<b>Final Adverse Decisions and Associations with No Governing Boards</b>	
The Board discussed the applicability of the final adverse decision process to members of associations with no governing boards. This is a concern because there would be no governing board to consider complaints, thus there could be no final adverse decision. The Board determined that these complaints would have to go through the Department’s regular complaint process and a remedy to these situations could only be handled by a change in the statute.	<a href="#"><u>10/26/09</u></a>
<b>Applicability of the Common Interest Community Ombudsman Regulations on Solely Commercial Condominiums</b>	
The Board adopted a guidance document on September 20, 2012, regarding whether the Common Interest Community Ombudsman Regulations apply to solely commercial condominiums. The Guidance Document is available on Town Hall.	<a href="#"><u>9/20/12</u></a>
<b>Requests for Waiver of Filing Fee for Notice of Final Adverse Decision</b>	
The Board adopted a guidance document on September 17, 2013 regarding the waiver of filing fees for filing a Notice of Final Adverse Decision (NFAD). The Guidance Document is available on Town Hall.	<a href="#"><u>9/17/13</u></a>

<b>Maximum Allowable Fees</b>	
The Board adopted a guidance document on June 27, 2013, regarding specific maximum allowable fees set by the Virginia Condominium Act and Property Owners Association Act that may be charged by the preparer of disclosure packets and resale certificates. The Guidance Document is available on Town Hall. Bulletins on these maximum fees are also available on Town Hall.	<a href="#">6/26/14</a>
<b>Best Practices for Property Owners’ Associations’ Declarations</b>	
The Board adopted this document on December 10, 2015, to offer guidance on the best practices for the content of property owners’ association declarations. Best Practices for the Content of Property Owners’ Associations’ Declarations is available on Town Hall.	<a href="#">12/10/15</a>
<b>Guidelines for the Development of Reserve Studies for Capital Components</b>	
The Board adopted this document on September 5, 2019, to provide guidelines for associations in the development of reserve studies for capital components. Guidelines for the Development of Reserve Studies for Capital Components is available on Town Hall.	<a href="#">9/5/19</a>
<b>Common Interest Community Association Registration – Interpretive Guidance for 18VAC48-60-60</b>	
The Board adopted this document on September 23, 2021, to provide interpretive guidance regarding the meaning of the phrase "lots or units subject to the declaration" as used in 18VAC48-60-60 of the Common Interest Community Association Registration Regulations. The Guidance Document is available on Town Hall.	<a href="#">9/23/21</a>

### **CIC Manager Licensure**

<b>Reserve Balance</b>	
The Board discussed “reserve balance” as referenced in Section 54.1-2346(D) of the <i>Code of Virginia</i> . It was stated that the reserve balance should be calculated based on the last fiscal year, the date of the application, and the highest aggregate amount of each association managed by the Common Interest Community Manager during the last fiscal year. The amount of the bond or insurance for the manager is to maintain maximum coverage.	<a href="#">10/15/08</a>
<b>Blanket Fidelity Bond or Employee Dishonesty Insurance Policy</b>	
The Board adopted a guidance document on March 2, 2010, regarding the requirement in § 54.1-2346(D) of the <i>Code of Virginia</i> that a Common Interest Community Manager obtain and maintain a blanket fidelity bond or employee dishonest insurance policy. The Guidance Document is available on Town Hall.	<a href="#">3/2/10</a>
<b>Definition of “Employee” as Used in Statutory Exemption from Licensure</b>	

The Board adopted a guidance document on December 2, 2010, regarding the definition of “Employee” as used in § 54.1-2347(A) of the <i>Code of Virginia</i> . The Guidance Document is available on Town Hall.	<a href="#">12/2/10</a>
<b>CIC Manager License Requirements for Association Debt Collections</b>	
The Board considered whether a common interest community manager license is required for a company that is only responsible for the collection of past-due assessments on behalf of an association. The Board responded by referencing the definition of “management services” in § 54.1-2345 of the <i>Code of Virginia</i> , which includes “(iii) collecting, disbursing, or otherwise exercising dominion or control over money or other property belonging to an association.” Thus, based on the current statutory language, a license would be required for an entity performing any of the functions in the definition of management services, unless an exemption in § 54.1-2347 of the Code of Virginia applied.	<a href="#">6/9/11</a>
<b>CIC Managers with Disciplinary Action as a Provisional Licensee</b>	
An applicant for a common interest community manager license who held a provisional common interest community manager license issued by the Board and had a consent order entered by the Board will not have the previous consent order adversely affect the common interest community manager license application as long as all terms of the consent order were met as stipulated in the applicable consent order. All other requirements of the Common Interest Community Manager Regulations regarding convictions, adverse financial history, or administrative discipline are not affected by this policy statement.	<a href="#">6/7/12</a>
<b>Requirement to Obtain and Maintain Separate Fidelity Bond or Insurance Policy</b>	
The Board adopted a guidance document on September 20, 2012, regarding the requirement for common interest community managers to obtain and maintain a fidelity bond or employee dishonest insurance policy. The Guidance Document is available on Town Hall.	<a href="#">9/20/12</a>
<b>Certified Principal/Supervisory Employee Personal Adverse Financial History</b>	
The Board adopted a guidance document on December 3, 2014, regarding what applicants for a principal/supervisory employee certificate must submit when certain personal adverse financial history is disclosed. The Guidance Document is available on Town Hall.	<a href="#">12/03/14</a>

### **CIC Management Recovery Fund**

<b>Procedure for Consideration of Claims for Recovery from the Common Interest Community Management Recovery Fund</b>	
The Board adopted this document on March 3, 2022, to provide interpretive guidance regarding the procedure for submission and consideration of a verified claim for recovery from the Common Interest	<a href="#">3/3/22</a>

Community Manager Recovery Fund. The Guidance Document is available on Town Hall.	
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## Condominium Registration

<b>Completion Bonds for Commercial Condos</b>	
The Board considered whether a commercial condominium needs to file a completion bond with the Board for incomplete common elements since commercial condominiums are exempt from registration. It was determined that § 55-79.87 (now § 55.1-1972) <u>does not</u> exempt commercial condominiums from filing a completion bond and that Board staff will retain these bonds, if applicable.	<a href="#">1/26/09</a>
<b>Ownership of Condo Unit by POA</b>	
The Board reviewed a request for an interpretation on ownership of condominium units by a property owners association. The Board declined to provide an interpretation as it is outside the Board's authority.	<a href="#">10/13/09</a>
<b>Meaning of "Substantial Completion"</b>	
The Board considered a request to provide an interpretation of the meaning of "substantial completion." The Board agreed by consensus that it could not provide an interpretation on this issue as it is outside the Board's authority.	<a href="#">10/26/09</a>
<b>Registration Process for Condominiums in Foreclosure</b>	
The Board discussed a recurring issue that involves the foreclosure of condominiums wherein there are unsold units. Upon learning of a condominium foreclosure (the declarant's property has been foreclosed, not an individual unit owner's property), staff proceeds to ascertain the current status of the condominium and, if still owned by the foreclosing entity, the future plans for the condominium in order to ensure that the registration is compliant with the Virginia Condominium Act and the Condominium Regulations. Specifically, staff must know whether the financial institution plans to sell individual units or sell to a successor declarant. Upon learning this information, staff can then advise as to the appropriate steps to ensure the registration remains up-to-date and accurate. The problem arises in situations wherein staff is unable to make contact with the foreclosing financial institution or does not obtain cooperation from the financial institution and it proceeds with the sale of the units.	<a href="#">12/1/11</a>
The Board directed staff to i.) ensure that appropriate confirmation from the association is received before releasing the assessment bond or letter of credit; ii.) attempt to obtain a statement from the financial institution to determine the current status and the next course of action; and, iii.) if appropriate, prepare the registration file so that the Board can review the matter in consideration of entering a cease and desist order in accordance	

with § 55-79.100 (now § 55.1-1986) of the <i>Code of Virginia</i> if compliance is not obtained and/or sales proceed.	
<b>Declarant and Developer Control Period</b>	
<p>1. QUESTION: Section 55-79.54(c)(3) (now § 55.1-1916(C)(3)) of the <i>Code of Virginia</i> includes a provision for extending the time period for expanding an expandable condominium. Section 55-79.54(d)(3) (now § 55.1-1916(D)(3)) of the <i>Code of Virginia</i> regarding a contractible condominium does not contain a similar provision to allow for an amendment to the declaration to extend the time to contract a contractible condominium. Does the Board take the position that such an amendment is not allowed? BOARD RESPONSE: The statute does not address extending the time period to withdraw land; therefore, it would not be permitted. Such time period extension only applies to an expandable condominium.</p> <p>2. QUESTION: The Property Owners' Association Act (Title 55, Chapter 26 of the <i>Code of Virginia</i>) (now Chapter 18 of Title 55.1) does not contain a provision covering the extension of a developer control period reserved by a developer in a recorded declaration. Could an amendment adopted by two-thirds of the lot owners provide for an extension of the developer control period? BOARD RESPONSE: The Board does not have any purview over the extension of a developer control period in a property owners' association as it is determined by the declaration and not the Property Owners' Association Act.</p>	<a href="#">3/14/13</a>
<b>Bond Requirements for Commercial Condominiums</b>	
<p>The Board considered two questions regarding the applicability of § 55-79.58:1 (now § 55.1-1921) of the <i>Code of Virginia</i> to commercial condominiums and responded as follows.</p> <p>1. Does the Board have the authority to regulate commercial condominiums?</p> <p>The Board does have the authority to regulate commercial condominiums, except as exempt pursuant to § 55-79.87(B) (now § 55.1-1972(B)) of the <i>Code of Virginia</i>.</p> <p>2. Does the Board accept and hold bonds posted pursuant to Virginia Code § 55-79.58:1 (now § 55.1-1921) on behalf of commercial condominium regimes?</p> <p>If the declarant of a commercial condominium were to present to the Board a bond pursuant to § 55-79.58:1 (now § 55.1-1921) of</p>	<a href="#">6/27/13</a>



<p>the <i>Code of Virginia</i>, the Board would retain the bond in accordance with the Code. Because commercial condominiums are exempt from the application requirements, and therefore are not required to submit plats, plans, and other documentation regarding the condominium, Board staff may not be able to ensure compliance with § 55-79.58:1 (now § 55.1-1921). Therefore, it may be necessary for Board staff to request such documentation to ensure the bond is in compliance.</p>	
<b>Letters of Credit May Be Accepted in Lieu of Assessment Bond</b>	
<p>The Board adopted a guidance document on June 27, 2013, regarding the requirement for a declarant to post an assessment bond for a condominium. The Guidance Document is located on Town Hall.</p>	<a href="#">6/27/13</a>
<b>Required Amount of Assessment Bond/Letter of Credit</b>	
<p>The declarant of a condominium must file and maintain a bond or letter of credit in favor of the unit owner's association to insure the declarant's assessment obligations are fulfilled. It has been the registration practice to require that the bond or letter of credit is equal to \$1,000 per unit registered (minimum of \$10,000 and maximum of \$100,000), regardless of whether the declarant still owns the unit. After discussion, the Board agreed by consensus to continue the practice of requiring an assessment bond or letter of credit be filed for the total number of units registered with the Board.</p>	<a href="#">12/3/13</a>
<b>Withdrawal of Condominium Registrations</b>	
<p>The Board confirmed by consensus that the declarant is not obligated to maintain the condominium project registration, and may withdraw the registration, if the declarant is not selling units. As part of withdrawing the registration, the declarant will be required to certify that he has no plans to sell units, will continue to pay assessments on units owned by the declarant, and that he will re-register the condominium project and meet all current entry requirements of the <i>Code of Virginia</i> and Board's regulations should the declarant decide to sell units in the future. Release of the assessment bond or letter of credit is possible with withdrawing the registration with confirmation from the unit owners association that the declarant is current in the payment of assessments.</p>	<a href="#">3/26/15</a>

## Time-Share Registration

<b>Procedure for Determination of Compliance with § 55.1-2220 and § 55.1-2234</b>	
<p>The Board has the obligation, pursuant to § 55-382(B) (now § 55.1-2230(B)) of the Code of Virginia, upon the request of an aggrieved owner to render a determination whether compliance with §§ 55-375 and 55-386 (now §§ 55.1-2220 or 55.1-2234) has occurred. The Board adopted procedural guidelines for handling determination requests. The determination procedure is available on Town Hall.</p>	<a href="#">10/26/09</a>
<b>Definition of Alternative Purchase</b>	

<p>A program that in summary will not be sold during the visit to the resort but will be marketed to potential purchasers days after they have left the resort does not appear to meet the definition of alternative purchase.</p>	<p><a href="#">9/17/13</a></p>
<p><b>Time-Share Public Offering Statement ( § 55.1-2217(A)(1)(d)) (Previously § 55-374(A)(1)(d))</b></p>	
<p>The Board was asked for an interpretation of what exactly is required from the time-share developer in the Public Offering Statement regarding unsatisfied judgments and the status of pending lawsuits. The Board declined to provide an interpretation as it is outside the Board’s authority in that it goes beyond an interpretation necessary to administer its programs, enforce the regulations, or make case decisions. The Board further stated that it urges the developer and its counsel to seek full disclosure consistent with the <i>Code of Virginia</i> and Board’s regulations.</p>	<p><a href="#">3/26/15</a></p>
<p><b>Determining Value of Blanket Surety Bonds Filed by Developers in Lieu of Escrowing Deposits</b></p>	
<p>The Board adopted a guidance document on June 7, 2018, regarding changes to § 55-375 (now § 55.1-2220) of the Virginia Real Estate Time-Share Act resulting from legislation during the 2018 General Assembly session. The Guidance Document is available on Town Hall.</p>	<p><a href="#">6/7/18</a></p>
<p><b>Time-Share Public Offering Statements Delivered by Way of Alternative Media; Purchaser Opportunity to Review Public Offering Statement Prior to Execution of a Contract</b></p>	
<p>The Board adopted a guidance document on June 7, 2018, regarding the requirements for public offering statements under § 55-374 (now § 55.1-2217) of the Virginia Real Estate Time-Share Act. The Guidance Document is available on Town Hall.</p>	<p><a href="#">6/7/18</a></p>

# **2023 LEGISLATIVE ITEMS FOR** **CONSIDERATION**

DRAFT AGENDA  
Materials contained in this agenda are proposed for discussion  
and are not to be construed as regulation or other official action.  
DRAFT AGENDA

# **DISCUSSION OF TRAINING PROGRAM** **REVIEW COMMITTEE MEMBERSHIP**

DRAFT AGENDA  
Materials contained in this agenda are proposed for discussion  
and are not to be construed as regulation or official action.  
DRAFT AGENDA

**CIC Management, Inc.**  
**4538 Bonney Road, Virginia Beach, VA 23462**

April 1, 2022

Mr. Joseph C. Haughwout, Jr.  
Commonwealth of Virginia  
Department of Professional and Occupational  
Regulation  
9960 Maryland Drive, Suite 400  
Richmond, VA 23233

Re: Request for statute interpretations regarding Common Interest Community  
management

Mr. Haughwout,

Thank you for your March 9<sup>th</sup> email reply and offer to provide me with an interpretation of certain statutes in the Virginia Code that impact our company's operations.

The background for my request is as follows:

- Our firm provides management services to homeowner and condominium associations solely during their respective developer/declarant's control period.
- Each developer/declarant is affiliated with our firm by common family ownership.
- Three officers of each developer/declarant serve as association board members and officer during the control period.
- Each association is transitioned to a non-affiliated management company selected by the initial independent board appointed by its members.
- Due to a reduction in associations under management, our firm is losing our only qualified, licensed property manager. We have no interest in managing communities beyond our declarant control period and we have insufficient work to justify hiring another licensed manager until we open new communities in 2024.

The guidance I am requesting is as follow:

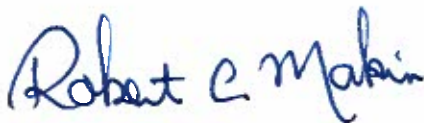
1. Is a developer/declarant exempt (during its control period only) from the licensing requirements under 54.1-2346? The title of 54.1-2347 is "Exceptions and Exemptions *Generally*", but since Chapter 23.3 rarely mentions the role of a developer/declarant, I do not want to dismiss the possibility that such an exemption may apply.
  - a. If such an exemption applies, would this permit a developer/declarant to assign and supervise daily association management duties performed by an employee of an affiliated company not in the association management business? None of our developer/declarant entities have employees, but

our affiliated, centralized management company has staff with association management experience, although none meet the certification requirements.

2. Does the board member exception under 54.1-2347(5) require the board member to perform 100% of the association management services or can that board member oversee an employee of our affiliated, centralized management company?
  - a. If allowed, does it matter that the board member is an officer or employee of our centralized management company?
3. 54.1-2346 states that any person or entity offering management services shall hold a valid license. However, 54.1-2345 defines "common interest community manager" as a person or business entity that provides management services for "compensation or valuable consideration".
  - a. Can any company perform association management services without a license if there is no compensation paid by the association being managed?
  - b. If so, can the developer/declarant compensate such a company for association management services so long as no portion of this expense is borne by the association?
4. Lastly, 54.1-2346(E) requires an independent CPA to review or audit the financial statements of a common interest community manager annually.
  - a. This would only apply in cases where a valid license is required?
  - b. How is the level of examination (audit or review) determined?
    - i. Manager's choice?
    - ii. Value of company revenues or net worth?
    - iii. Some other metric?
  - c. Is there a process for submitting the annual statements to the Board?
  - d. What is the deadline for submission?

I would greatly appreciate your interpretive guidance on the issues raised above in order to ensure that our firm remains in full compliance with the Code of Virginia as it relates to the management of Common Interest Communities in Virginia.

Sincerely,



Robert C. Makin, CPA  
COO  
CIC Management, Inc.

**CIC Management, Inc.**  
**4538 Bonney Road, Virginia Beach, VA 23462**

Via email to [cic@dpor.virginia.gov](mailto:cic@dpor.virginia.gov)

May 5, 2022

Commonwealth of Virginia  
Department of Professional and  
Occupational Regulation  
9960 Maryland Drive, Suite 400  
Richmond, VA 23233

Re: License #0501000391  
Change in Personnel

Gentlemen,

In accordance with your letter of April 19, 2022 (copy attached), please be advised of the following:

1. As of April 8, 2022, Jessica Simpkins, our qualified individual, responsible person and certified principal, is no longer an employee of our company.
2. As of the date of this letter, our company no longer employs a qualified individual, responsible person or certified principal as required to be a licensed common interest community manager under Chapter 23.3 of Title 54.1 of the Code of Virginia.

As required under Section 18VAC48-50-150, a Community Manager Change of Personnel Form is enclosed even though we have no successor person(s) to report.

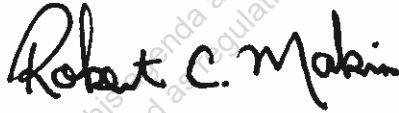
We gave notice to the only independent association under our management that we are terminating our management services effective May 31, 2022, the earliest we were legally able to do so under the terms of our contract. This association has contracted for management services with another licensed management company effective June 1, 2022. Until then, our company will manage this association without compensation.

Effective June 1, 2022, our company will only manage community associations formed by our affiliated development group and cease all management responsibilities and services once a declarant's control period is over and each association is transitioned to an independent manager. We have been advised by legal counsel that under these conditions our company will not be subject to the Common Interest Community Manager Regulations under Chapter 23.3 of Title 54.1 of the Code of Virginia.

I would appreciate your acknowledgment of our understanding that, as long as we restrict our management services solely to affiliated, declarant-controlled associations, our company will not be subject to the Common Interest Community Manager Regulations under Chapter 23.3 of Title 54.1 of the Code of Virginia.

I am happy to answer any questions or provide additional information that may be helpful in your review of our position regarding licensure.

Respectfully,

A handwritten signature in black ink that reads "Robert C. Makin". The signature is written in a cursive, slightly slanted style.

Robert C. Makin, CPA  
Chief Operations & Finance Officer  
CIC Management, Inc.

enclosures



# 2022 LEGISLATIVE UPDATE

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
and are not to be construed as regulation or official Board opinion.  
DRAFT AGENDA

# OMBUDSMAN REPORT

DRAFT AGENDA  
Materials contained in this agenda are proposed topics for discussion  
and are not to be construed as regulation or official Board action.  
DRAFT AGENDA

**Department of Professional and Occupational Regulation  
Statement of Financial Activity**

**Common Interest Community Board  
954520**

2020-2022 Biennium

April 2022

	April 2022 Activity	Biennium-to-Date Comparison	
		July 2018 - April 2020	July 2020 - April 2022
Cash/Revenue Balance Brought Forward			15,716
Revenues	41,388	1,272,334	1,101,069
Cumulative Revenues			1,116,785
<b>Cost Categories:</b>			
Board Expenditures	38,259	810,171	776,299
Board Administration	0	0	0
Administration of Exams	0	0	0
Enforcement	12,544	252,744	269,247
Legal Services	(3,020)	2,620	1,916
Information Systems	5,682	160,526	145,818
Facilities and Support Services	7,539	139,871	140,333
Agency Administration	5,271	95,284	96,350
Other / Transfers	0	8,513	5,006
<b>Total Expenses</b>	<b>66,274</b>	<b>1,469,729</b>	<b>1,434,970</b>
Transfer To/(From) Cash Reserves	(21,908)	0	(318,185)
<b>Ending Cash/Revenue Balance</b>			<b>0</b>

Cash Reserve Beginning Balance	2,845,197	0	3,141,474
Change in Cash Reserve	(21,908)	0	(318,185)
Ending Cash Reserve Balance	2,823,288	0	2,823,288

<b>Number of Regulators</b>	
Current Month	7,794
Previous Biennium-to-Date	7,598

DEPARTMENT OF PROFESSIONAL  
& OCCUPATIONAL REGULATION

**VIRGINIA COMMON INTEREST  
COMMUNITY MANAGEMENT  
RECOVERY FUND**

**FINANCIAL STATEMENTS**

**Cash Basis**

**For the Month Ended  
February 28, 2022**

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

February 28, 2022

	Special Revenue Funds		
	Principal	Interest	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 224,997	\$ 11,463	\$ 236,460
<b>Total Assets</b>	<u>\$ 224,997</u>	<u>\$ 11,463</u>	<u>\$ 236,460</u>
<b>FUND BALANCES</b>			
Reserved for Payment of Future Claims	\$ 224,997	\$ -	\$ 224,997
Reserved for Administration of Recovery Act	-	11,463	11,463
<b>Total Fund Balances</b>	<u>\$ 224,997</u>	<u>\$ 11,463</u>	<u>\$ 236,460</u>

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**  
**VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE MONTH ENDED 02/28/2022**

	CURRENT MONTH			YEAR TO DATE		
	Principal Fund	Interest Fund	Totals	Principal Fund	Interest Fund	Totals
<b>REVENUES:</b>						
Assessments	\$ 725	\$ -	\$ 725	\$ 5,150	\$ -	\$ 5,150
Investment Income		16	16		83	83
Total Revenues:	<u>725</u>	<u>16</u>	<u>741</u>	<u>5,150</u>	<u>83</u>	<u>5,233</u>
<b>EXPENDITURES:</b>						
Administrative Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>725</u>	<u>16</u>	<u>741</u>	<u>5,150</u>	<u>83</u>	<u>5,233</u>
<b>Beginning Fund Balance</b>	<u>224,272</u>	<u>11,446</u>	<u>235,718</u>	<u>219,847</u>	<u>11,379</u>	<u>231,226</u>
<b>Ending Fund Balance</b>	<u>\$ 224,997</u>	<u>\$ 11,463</u>	<u>\$ 236,460</u>	<u>\$ 224,997</u>	<u>\$ 11,463</u>	<u>\$ 236,460</u>

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
 VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND  
 SUPPLEMENTAL SCHEDULE OF CLAIMS PAID**

February 28, 2022

<b>CLAIMS PAID:</b>	<b>Number of Payments</b>	<b>Dollar Amount of Claims Paid</b>	<b>Related Recoveries</b>	<b>Net Payments</b>
July 1, 2021 - June 30, 2022	0	\$0.00	\$0.00	\$0.00
July 1, 2020 - June 30, 2021	0	\$0.00	\$0.00	\$0.00
July 1, 2019 - June 30, 2020	0	\$0.00	\$0.00	\$0.00
July 1, 2018 - June 30, 2019	0	\$0.00	\$0.00	\$0.00
July 1, 2017 - June 30, 2018	0	\$0.00	\$0.00	\$0.00
July 1, 2016 - June 30, 2017	0	\$0.00	\$0.00	\$0.00
July 1, 2015 - June 30, 2016	0	\$0.00	\$0.00	\$0.00
July 1, 2014 - June 30, 2015	0	\$0.00	\$0.00	\$0.00
July 1, 2013 - June 30, 2014	0	\$0.00	\$0.00	\$0.00
July 1, 2012 - June 30, 2013	0	\$0.00	\$0.00	\$0.00
July 1, 2011 - June 30, 2012	0	\$0.00	\$0.00	\$0.00
July 1, 2010 - June 30, 2011	0	\$0.00	\$0.00	\$0.00
July 1, 2009 - June 30, 2010	0	\$0.00	\$0.00	\$0.00
July 1, 2008 - June 30, 2009	0	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

This schedule is presented on a cash basis and represents aggregate claims paid and related recoveries. Recoveries are often received and reported in a different year from when the claim was paid.

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**  
**VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
2/28/2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of certain significant accounting policies employed by the Department of Professional and Occupational Regulation in administering the Virginia Common Interest Community Management Recovery Fund.

**A. Basis of Presentation**

The accompanying financial statements have been prepared using governmental fund accounting as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**B. Reporting Entity**

These financial statements report the financial activity of the Virginia Common Interest Community Management Recovery Fund, which is administered by the Department of Professional and Occupational Regulation. The Department exercises oversight authority over other funds which are not included in these financial statements.

**C. Financial Statement Presentation**

Special Revenue Funds account for transactions related to resources received and used for restricted or specific purposes. The Virginia Common Interest Community Management Recovery Fund, which is reported as a special revenue fund, is established under Section 55-530.1 of the *Code of Virginia* to reimburse associations for losses that occur when their community manager fails to perform his or her fiduciary responsibilities.

**D. Measurement Focus and Basis of Accounting**

The governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received and expenditures are recorded when paid. The Department uses the cash basis of accounting during the year and prepares financial statements in accordance with generally accepted accounting principles at year end.

**E. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, demand deposits, and investments in the Local Government Investment Pool (LGIP). Investments in the Local Government Investment Pool are reported as cash equivalents since they are readily convertible to cash.

**2. RESTRICTED FUND BALANCES**

Assets held in the Virginia Common Interest Community Management Recovery Funds are restricted to the payment of claims in accordance with Section 55.530.1H of the *Code of Virginia*. Interest earned on the deposits are used to pay the expenses of administering the fund, to pay claims, or may be transferred to the Common Interest Community Management Information Fund.

**3. ASSESSMENTS**

The Common Interest Community Management Recovery Fund is financed through assessments. Each new common interest community manager pays a \$25 assessment into the Recovery Fund at the time of application. Each association pays \$25 into the Recovery Fund at the time of filing its first annual report. After July 1, 2011, the *Code of Virginia* requires the Board to transfer funds from the Common Interest Community Management Information Fund and/or assess each association and each common interest community manager additional fees whenever the principal balance of the Recovery Fund is less than \$150,000. If the principal balance of the fund exceeds \$5,000,000 on June 30 of any year, the Board must transfer the excess to the Virginia Housing Partnership Revolving Fund.

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These financial statements are prepared by Jordan Perryman, Fund Accountant. Please call 804-367-4003 if you have questions.



## 2023 TENTATIVE BOARD MEETING SCHEDULE

CIC BOARD	
Training Program Review Committee	Board Meeting
Wednesday, March 8, 2023 @ 1:00 pm Board Room 3	Thursday, March 9, 2023 @ 9:30 am Board Room 3
Wednesday, June 7, 2023 @ 1:00 pm Board Room 3	Thursday, June 8, 2023 @ 9:30 am Board Room 3
Wednesday, September 20, 2023 @ 1:00 pm Board Room 2	Thursday, September 21, 2023 @ 9:30 am Board Room 2
Wednesday, December 13, 2023 @ 1:00 pm Board Room 3	Thursday, December 14, 2023 @9:30 am Training Room 2*

**2022 BOARD MEMBER TRAINING**  
**CONFERENCE**

DRAFT AGENDA  
Materials contained in this agenda are proposed topics  
and are not to be construed as regulation or official Board discussion.  
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# OTHER BOARD BUSINESS

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Materials contained in this agenda are proposed topics for discussion  
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**COMPLETE CONFLICT OF INTEREST**  
**FORMS AND**  
**TRAVEL VOUCHERS**

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