

The Ranch Filing No. 3 Homeowners' Association Records Inspection Policy

RECITALS:

A. Colorado Revised Statute ("C.R.S.") § 38-33.3-209.5(1)(b)(V) provides that the Association shall adopt a policy for members to inspect and copy the Association's records. C.R.S. § 38-33.3-317 contains specific provisions regarding the type of records the Association maintains and for inspection and copying of those records.

B. The intent of this policy is to generally define the types of records the Association maintains, define the costs of copies, and provide a general procedure for the members to inspect and copy records; it is not the intent to limit members statutory remedies for record inspection.

THEREFORE, the following policies apply to maintenance and inspection of Association records:

1. Maintenance of Records. The Association shall maintain the following records (collectively, "Records"):

- (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association;
- (b) Records of claims for construction defects and amounts received pursuant to settlement of those claims;
- (c) Minutes of all meetings of the Association's lot Owners and executive board, a record of all actions taken by the lot Owners or executive board without a meeting, and a record of all actions taken by any committee of the executive board;
- (d) Written communications among, and the votes cast by, executive board members that are:
 - (i) Directly related to an action taken by the board without a meeting pursuant to C.R.S. § 7-128-202; or
 - (ii) Directly related to an action taken by the board without a meeting pursuant to the association's bylaws;
- (e) The names of lot Owners in a form that permits preparation of a list of the names of all lot Owners and the physical mailing addresses at which the association communicates with them, showing the number of votes each lot Owner is entitled to vote;
- (f) The Association's current declaration, covenants, bylaws, articles of incorporation, rules and regulations, responsible governance policies adopted pursuant to C.R.S. § 38-33.3-209.5, and other policies adopted by the executive board;

- (g) Financial statements as described in C.R.S. § 7-136-106, for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (h) A list of the names, electronic mail addresses, and physical mailing addresses of its current executive board members and officers;
- (i) The Association's most recent annual report delivered to the secretary of state, if any;
- (j) Financial records sufficiently detailed to enable the Association to determine the amount of unpaid assessments currently levied against each lot;
- (k) The Association's most recent reserve study, if any;
- (l) Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years; Records of executive board or committee actions to approve or deny any requests for design or architectural approval from lot Owners;
- (m) Ballots, proxies, and other records related to voting by lot Owners for one year after the election, action, or vote to which they relate;
- (n) Resolutions adopted by the Association's board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (o) All written communications within the past three years to all lot Owners generally as lot Owners;
- (p) The current year's operating budget;
- (q) A list, by unit type, of the Association's current assessments, including both regular and special assessments;
- (r) Results of the Association's most recent available financial audit or review; and
- (s) A list of all Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.

2. Inspection of Records.

- (a) The Association shall make the Records available for examination and copying by a lot Owner or the Owner's authorized agent, subject to the following conditions:
 - (1) Owners or their authorized agents shall submit all requests for examination or copying in writing, using the "Document Request Form" form approved by the Association's Board of

Directors. The request shall describe with reasonable particularity the records sought.

- (2) Requests shall be provided to the Association's managing agent at least ten days prior to the intended date of inspection.
 - (3) Properly requested Records shall be available at the Association's principal office during normal business hours on the date indicated on the Records Inspection Request form, or, at the Association's discretion, at the next regularly scheduled executive board meeting if the meeting occurs within thirty days after the request.
 - (4) The person accessing and/or copying the records agrees to pay a fee for the estimated cost of labor and materials required for producing and reproducing the Records; the Association may require the fee to be paid in advance. In the Association's discretion, it may also charge a fee to pay for the labor necessary to supervise an Owner while they inspect the Records to ensure the Owner does not remove, tamper with, or destroy the records.
- (b) Records may be withheld from inspection and copying to the extent that they are or concern:
- (1) Architectural drawings, plans, and designs, unless released upon the written consent of the legal Owner of the drawings, plans, or designs;
 - (2) Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
 - (3) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
 - (4) Disclosure of information in violation of law;
 - (5) Records of an executive session of an executive board; or
 - (6) Individual lots other than those of the requesting Owner.
- (c) Records shall not be subject to inspection or copying, and must be withheld, to the extent that they are or concern:
- (1) Personnel, salary, or medical records relating to specific individuals; or
 - (2) Personal identification and account information of members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers, except that a member or resident may provide the Association with prior written consent to the

disclosure of, and the Association may publish to other members and residents, the person's telephone number, electronic mail address, or both. The written consent must be kept as a record of the Association and remains valid until the person withdraws it by providing the Association with written notice of withdrawal of the consent. If a person withdraws his or her consent, the Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal. Written consent and notice of withdrawal may be given by electronic means if the parties agree to do so.

- (d) The person requesting Records need not state the purpose for which the records are to be used. However, no part of the Association's Records shall be used for any commercial purpose. In addition, the Association's membership information shall not be used to solicit money or property unless such money or property will be used solely to solicit the votes of the lot Owners in an election to be held by the association. Furthermore, the Records may not be sold or purchased by any person for any purpose.
- (e) In the event an inspection request will result in review and/or copying of voluminous documents, the Association may break the inspection in to several sessions to reasonably accommodate the staff at its principal office.
- (f) The Association has no obligation to compile or synthesize information.

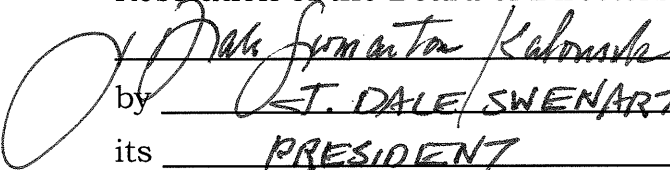
3. Enforcement of Inspection and Copying Rules.

- (a) Any violation of the Association's rules regarding inspection and copying of Records shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply herewith, as well as other remedies such as fines. The Association's board or its representatives may enforce this policy through the Association's normal enforcement procedures, or take any available legal action to enforce this policy.
- (b) The Association will not honor any requests for inspection or copying that do not comply with this policy, but the Association shall send a written notice to the person who made the request indicating the nature of any noncompliance. Any Association representative who receives an oral request for inspection or copying shall refer the person making the request to this policy, and the Association or its representatives will have no further obligation to respond until it receives a written request.
- (c) The Association's Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.

4. General Provisions.

- (a) Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to violation of any covenant, policy, or rule, including non-payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by the Association. If a court of competent jurisdiction finds a provision of this Policy unenforceable, the other provisions shall remain in full force and effect.
- (b) Words not defined in this Policy are used as defined in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of The Ranch Subdivision Filing No. 3, recorded with the Adams County Clerk and Recorder on September 3, 2013, at reception number 2013000076769 (as amended) and the Amended and Restated Bylaws of The Ranch Subdivision Filing No. 3 Homeowner's Association (as amended).
- (c) This Policy is effective starting on the 10th day after its adoption. The Board may amend this policy from time to time.

Policy adopted this 27 day of MAY, 2014 by
Resolution of the Board of Directors.


by T. DALE SWENARTON / MLOUSEK
its PRESIDENT