

Falls Creek Ranch Association, Inc.

Inspection and Copying of Association Records Policy

The following Section is an excerpt from the FCRA Amended and Restated Bylaws (December 17, 2011) relating to record retention and examination of records.

Section 7.1 Records and Audits. The Association shall maintain financial records in accordance with generally accepted accounting principles or the cash or tax basis of accounting. Audits shall be required by majority vote of the Board or upon request of the Lot Owners pursuant to C.R.S. 18-33.3-303(4)(b)(II). The cost of any audit shall be a Common Expense unless otherwise provided in the Documents. Section 7.2 Examination. All records maintained by the Association or its Manager shall be available for examination and copying by any Lot Owner, any holder of a First Mortgage in a Lot or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and upon prior notice of 5 business days or at the next regularly scheduled meeting. The request for records must be made in good faith and for a proper purpose and must describe with reasonable particularity, the records sought and the purpose for such request. Section 7.3 Records. The Association shall keep the following records: (a) A record for each Lot, which shall designate the name and address of each Lot Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due; (b) A record for each Lot Owner showing any other fees payable by the Lot Owner; (c) A record of any capital expenditures in excess of one thousand dollars (\$1,000.00) approved by the Board of Directors for the current and next two succeeding fiscal years; (d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project; (e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association; (f) The current operating budget adopted pursuant to Section 315(1) of the Act and ratified pursuant to the procedures of Section 303(4) of the Act; (g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant; (h) A record of insurance coverage provided for the benefit of Lot Owners and the Association; (i) A record of any alterations or improvements to Lots which violate any provisions of the Protective Covenants of which the Board of Directors has knowledge; (j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Board of Directors has knowledge; (k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements; (l) Balance sheets and other records required

by local corporate law; (m) Tax returns for state and federal income taxation; (n) Minutes of proceedings of incorporators, Lot Owners, Directors, committees of Directors and waivers of notice; and (o) A copy (written or electronic) of the most recent versions of the Articles, Protective Covenants, Bylaws, design review criteria and rules, and resolutions of the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Lot Owners or any class or category of Lot Owners, along with their exhibits and schedules; (p) All written communications within the past (3) three years to Lot Owners; (q) A list of the names and business or home addresses of Board of Directors; and, (r) All financial audits or reviews conducted pursuant to C.R.S. §38-33.3-303(4)(b) during the immediately preceding three years.