

VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION, INC.
RECORDS INSPECTION POLICY

Effective Date: September 29, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic records inspection policy.

The Association hereby adopts the following policies and procedures for records inspection:

1. The Association shall maintain, at a minimum, the following records:
 - A. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
 - B. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
 - C. a record of Members in a form that permits preparation of a list of names and addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list") and a similar list with the names and addresses of mortgagees of Units;
 - D. the Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 - E. written communications within the past three years to Members generally as Members;
 - F. a list of the names and business or home addresses of its current directors and officers;
 - G. its most recent annual report, if any; and
 - H. all financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years; and
2. Records shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours upon notice of 5 business days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request, to the extent that:
 - A. the request is made in good faith and for a proper purpose;
 - B. the request describes with reasonable particularity the records sought and the purpose of the request; and
 - C. the records are relevant to the purpose of the request.

All requests shall be submitted on the form attached to this policy.

3. A Membership list may not be:
 - A. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
 - B. used for any commercial purpose;
 - C. sold to or purchased by any person; or
 - D. used for any other purpose prohibited by law.

Any Member requesting a Membership list shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

4. Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be made between 8:00 a.m. and 5:00 p.m., Monday through Friday.

5. At the discretion of the Board of Directors or Manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.

6. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost of \$0.12 per page. The Owner shall be responsible for paying the total copying cost prior to receiving the copies. If the Association's management company increases or decreases the copying cost to the Association, the copying cost charged to the Owner shall be increased or decreased accordingly, without amendment to this resolution.

7. Records may not be removed from the office in which they are inspected without the express written consent of the Board.

8. The following records will not be available for inspection without the express written consent of the Board:

- A. documents which are privileged or confidential between attorney and client or which concern pending or imminent court proceedings;
- B. documents related to investigative proceedings concerning possible or actual criminal misconduct;
- C. documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;
- D. documents which the Association is prohibited from disclosing to a third party as a matter of law; and
- E. inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

9. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a purpose other than that stated in the Owner's request.

IN WITNESS WHEREOF, the undersigned certify that this Records Inspection Policy was adopted by resolution of the Board of Directors of the Association on this 29th day of September, 2006.

VILLAS AT PROSPECT POINT CONDOMINIUM
ASSOCIATION, INC., a Colorado nonprofit corporation,

By: Robert C. Bullard
Its: President

ATTEST:

By: Scott McLean