

(6) THIS SECTION SHALL NOT BE CONSTRUED TO AFFECT:

(a) THE RIGHT OF A UNIT OWNER TO INSPECT RECORDS:

(I) UNDER CORPORATION STATUTES GOVERNING THE INSPECTION OF LISTS OF SHAREHOLDERS OR MEMBERS PRIOR TO AN ANNUAL MEETING; OR

(II) IF THE UNIT OWNER IS IN LITIGATION WITH THE ASSOCIATION, TO THE SAME EXTENT AS ANY OTHER LITIGANT; OR

(b) THE POWER OF A COURT, INDEPENDENTLY OF THIS ARTICLE, TO COMPEL THE PRODUCTION OF ASSOCIATION RECORDS FOR EXAMINATION ON PROOF BY A UNIT OWNER OF PROPER PURPOSE.

(7) THIS SECTION SHALL NOT BE CONSTRUED TO INVALIDATE ANY PROVISION OF THE DECLARATION, BYLAWS, THE CORPORATE LAW UNDER WHICH THE ASSOCIATION IS ORGANIZED, OR OTHER DOCUMENTS THAT MORE BROADLY DEFINES RECORDS OF THE ASSOCIATION THAT ARE SUBJECT TO INSPECTION AND COPYING BY UNIT OWNERS, OR THAT GRANTS UNIT OWNERS FREER ACCESS TO SUCH RECORDS.

SECTION 19. Article 35.7 of title 38, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

38-35.7-102. Disclosure - common interest community - requirement for architectural approval. (1) IN EVERY PURCHASE AND SALE OF RESIDENTIAL REAL PROPERTY IN A COMMON INTEREST COMMUNITY:

(a) THE SELLER SHALL CAUSE TO BE FURNISHED TO THE BUYER, AT THE SELLER'S EXPENSE, ALL DOCUMENTS REQUIRED BY SECTION 38-33.3-223 AT LEAST TEN DAYS BEFORE CLOSING IN THE CASE OF A SALE BY OWNER OR WITHIN THE TIME LIMITS SET FORTH IN SECTION 38-33.3-223 IN THE CASE OF A BROKERED TRANSACTION.

(b) (I) THE SELLER SHALL PROVIDE THE BUYER WITH A DISCLOSURE STATEMENT IN BOLD-FACED TYPE THAT IS CLEARLY LEGIBLE AND IN SUBSTANTIALLY THE FOLLOWING FORM:

**"THE BUYER HEREBY ACKNOWLEDGES THAT
THE BUYER HAS RECEIVED COPIES OF THE**

DECLARATION, COVENANTS, BYLAWS, AND RULES AND REGULATIONS OF THE HOMEOWNERS' ASSOCIATION OF THE [NAME OF COMMON INTEREST COMMUNITY], IN WHICH THE PROPERTY IS LOCATED, AND THE BUYER UNDERSTANDS THAT THESE DOCUMENTS CONSTITUTE AN AGREEMENT BETWEEN THE ASSOCIATION AND THE BUYER. BY SIGNING THIS STATEMENT, THE BUYER ACKNOWLEDGES THAT THE BUYER HAS READ AND UNDERSTANDS THE ASSOCIATION'S DECLARATION, COVENANTS, BYLAWS, AND RULES AND REGULATIONS. THE BUYER ALSO UNDERSTANDS THAT BY COMPLETING THIS PURCHASE, THE BUYER IS RESPONSIBLE FOR PAYING ASSESSMENTS TO THE ASSOCIATION. IF THE BUYER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO COLLECT THE DEBT.

THE BUYER ALSO UNDERSTANDS THAT ANY CHANGE TO THE EXTERIOR OF THE PROPERTY MAY BE SUBJECT TO ARCHITECTURAL REVIEW AND APPROVAL. FAILURE TO SECURE SUCH REVIEW AND APPROVAL COULD BE A VIOLATION OF THE DECLARATION AND COULD RESULT IN REMEDIAL ACTION BEING TAKEN BY THE ASSOCIATION."

(II) IT SHALL BE THE RESPONSIBILITY OF THE SELLER TO OBTAIN FROM THE PURCHASER A SIGNED ACKNOWLEDGMENT OF RECEIPT OF THE INFORMATION AND DISCLOSURE STATEMENT DESCRIBED IN THIS SECTION, WHETHER SUCH ACKNOWLEDGMENT IS INCORPORATED IN THE CONTRACT OF PURCHASE AND SALE OR OTHERWISE, AT THE TIME OF CLOSING AND TO DELIVER SUCH SIGNED ACKNOWLEDGMENT TO THE ASSOCIATION AS SOON AS IS PRACTICABLE THEREAFTER. IN THE EVENT OF THE FAILURE BY THE SELLER TO PROVIDE SUCH INFORMATION AND DISCLOSURE STATEMENT, THE PURCHASER SHALL HAVE A CLAIM FOR RELIEF AGAINST THE SELLER FOR ALL DAMAGES TO THE PURCHASER RESULTING FROM SUCH FAILURE PLUS COURT

COSTS; EXCEPT THAT, TO THE EXTENT THAT THE BUYER'S DAMAGES RESULTED FROM THE ASSOCIATION'S FAILURE OR REFUSAL, WITHOUT LEGAL JUSTIFICATION, TO PROVIDE DOCUMENTS WITHIN ITS CONTROL TO THE SELLER DESPITE THE GOOD FAITH EFFORTS OF THE SELLER TO OBTAIN THEM, OR BECAUSE THE ASSOCIATION DID NOT MAINTAIN RECORDS AS REQUIRED BY SECTION 38-33.3-317, THE SELLER SHALL NOT BE LIABLE.

(2) THIS SECTION SHALL NOT APPLY TO THE SALE OF A UNIT THAT IS A TIME-SHARE UNIT, AS DEFINED IN SECTION 38-33-110 (7).

SECTION 20. 10-4-110.8 (3) and (4), Colorado Revised Statutes, are amended, and the said 10-4-110.8 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

10-4-110.8. Homeowner's insurance - prohibited practices - definitions. (3) For the purposes of this section, unless the context otherwise requires:

(a) "Claim" includes a demand for payment of a benefit by the insured, the payment of a covered benefit by an insurer, a loss reserve established by the insurer, a loss adjustment expense incurred by the insurer, or a payment made to the insured.

(b) "INQUIRY" MEANS A REQUEST FOR INFORMATION REGARDING THE TERMS, CONDITIONS, OR COVERAGES AFFORDED UNDER AN INSURANCE CONTRACT.

(4) ~~For the purposes of this section, "inquiry" means a request for information regarding the terms, conditions, or coverages afforded under an insurance contract.~~ EVERY INSURER ISSUING A POLICY OF HOMEOWNER'S INSURANCE SHALL COMPLY WITH SECTION 10-3-1104(1) (h) AND ALL OTHER PROVISIONS OF PART 11 OF ARTICLE 3 OF THIS TITLE.

(5) IN A COMMON INTEREST COMMUNITY, AS DEFINED IN SECTION 38-33.3-103 (8), C.R.S., A UNIT OWNER MAY FILE A CLAIM AGAINST THE POLICY OF THE UNIT OWNER'S ASSOCIATION TO THE SAME EXTENT, AND WITH THE SAME EFFECT, AS IF THE UNIT OWNER WERE AN ADDITIONAL NAMED INSURED.

SECTION 21. Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, such