

1 **SECTION 14. Repeal.** 38-33.3-223, Colorado Revised Statutes,
2 is repealed.

3 **SECTION 15.** 38-35.7-102, Colorado Revised Statutes, is
4 **REPEALED AND REENACTED, WITH AMENDMENTS,** to read:

5 **38-35.7-102. Disclosure - common interest community -**
6 **obligation to pay assessments - requirement for architectural**
7 **approval.** (1) ON AND AFTER JANUARY 1, 2007, EVERY CONTRACT FOR
8 THE PURCHASE AND SALE OF RESIDENTIAL REAL PROPERTY IN A COMMON
9 INTEREST COMMUNITY SHALL CONTAIN A DISCLOSURE STATEMENT IN
10 BOLD-FACED TYPE THAT IS CLEARLY LEGIBLE AND IN SUBSTANTIALLY THE
11 FOLLOWING FORM:

12 **"THE PROPERTY IS LOCATED WITHIN A**
13 **COMMON INTEREST COMMUNITY AND IS**
14 **SUBJECT TO THE DECLARATION FOR SUCH**
15 **COMMUNITY. THE OWNER OF THE PROPERTY**
16 **WILL BE REQUIRED TO BE A MEMBER OF THE**
17 **OWNER'S ASSOCIATION FOR THE COMMUNITY**
18 **AND WILL BE SUBJECT TO THE BYLAWS AND**
19 **RULES AND REGULATIONS OF THE**
20 **ASSOCIATION. THE DECLARATION, BYLAWS,**
21 **AND RULES AND REGULATIONS WILL IMPOSE**
22 **FINANCIAL OBLIGATIONS UPON THE OWNER**
23 **OF THE PROPERTY, INCLUDING AN**
24 **OBLIGATION TO PAY ASSESSMENTS OF THE**
25 **ASSOCIATION. IF THE OWNER DOES NOT PAY**
26 **THESE ASSESSMENTS, THE ASSOCIATION**
27 **COULD PLACE A LIEN ON THE PROPERTY AND**

1 **POSSIBLY SELL IT TO PAY THE DEBT. THE**
2 **DECLARATION, BYLAWS, AND RULES AND**
3 **REGULATIONS OF THE COMMUNITY MAY**
4 **PROHIBIT THE OWNER FROM MAKING**
5 **CHANGES TO THE PROPERTY WITHOUT AN**
6 **ARCHITECTURAL REVIEW BY THE**
7 **ASSOCIATION (OR A COMMITTEE OF THE**
8 **ASSOCIATION) AND THE APPROVAL OF THE**
9 **ASSOCIATION. PURCHASERS OF PROPERTY**
10 **WITHIN THE COMMON INTEREST COMMUNITY**
11 **SHOULD INVESTIGATE THE FINANCIAL**
12 **OBLIGATIONS OF MEMBERS OF THE**
13 **ASSOCIATION. PURCHASERS SHOULD**
14 **CAREFULLY READ THE DECLARATION FOR THE**
15 **COMMUNITY AND THE BYLAWS AND RULES**
16 **AND REGULATIONS OF THE ASSOCIATION."**

17 (2) (a) THE OBLIGATION TO PROVIDE THE DISCLOSURE SET FORTH
18 IN SUBSECTION (1) OF THIS SECTION SHALL BE UPON THE SELLER, AND, IN
19 THE EVENT OF THE FAILURE BY THE SELLER TO PROVIDE THE WRITTEN
20 DISCLOSURE DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE
21 PURCHASER SHALL HAVE A CLAIM FOR RELIEF AGAINST THE SELLER FOR
22 ACTUAL DAMAGES DIRECTLY AND PROXIMATELY CAUSED BY SUCH
23 FAILURE PLUS COURT COSTS. IT SHALL BE AN AFFIRMATIVE DEFENSE TO
24 ANY CLAIM FOR DAMAGES BROUGHT UNDER THIS SECTION THAT THE
25 PURCHASER HAD ACTUAL OR CONSTRUCTIVE KNOWLEDGE OF THE FACTS
26 AND INFORMATION REQUIRED TO BE DISCLOSED.

27 (b) UPON REQUEST, THE SELLER SHALL EITHER PROVIDE TO THE

1 BUYER OR AUTHORIZE THE UNIT OWNERS' ASSOCIATION TO PROVIDE TO
2 THE BUYER, UPON PAYMENT OF THE ASSOCIATION'S USUAL FEE PURSUANT
3 TO SECTION 38-33.3-317(3), ALL OF THE COMMON INTEREST COMMUNITY'S
4 GOVERNING DOCUMENTS AND FINANCIAL DOCUMENTS, AS LISTED IN THE
5 MOST RECENT AVAILABLE VERSION OF THE CONTRACT TO BUY AND SELL
6 REAL ESTATE PROMULGATED BY THE REAL ESTATE COMMISSION AS OF THE
7 DATE OF THE CONTRACT.

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

10 SECTION 16. 10-4-110.8 (5), Colorado Revised Statutes, is
11 amended to read:

12 **10-4-110.8. Homeowner's insurance - prohibited practices -**
13 **definitions.** (5) (a) In a common interest community, as defined in
14 section 38-33.3-103 (8), C.R.S., a unit owner may file a claim against the
15 policy of the unit owner's association to the same extent, and with the
16 same effect, as if the unit owner were ~~an additional~~ A named insured IF
17 THE FOLLOWING CONDITIONS ARE MET:

18 (I) THE UNIT OWNER HAS CONTACTED THE EXECUTIVE BOARD OR
19 THE ASSOCIATION'S MANAGING AGENT IN WRITING, AND IN ACCORDANCE
20 WITH ANY APPLICABLE ASSOCIATION POLICIES OR PROCEDURES FOR
21 OWNER-INITIATED INSURANCE CLAIMS, REGARDING THE SUBJECT MATTER
22 OF THE CLAIM;

23 (II) THE UNIT OWNER HAS GIVEN THE ASSOCIATION AT LEAST
24 FIFTEEN DAYS TO RESPOND IN WRITING, AND, IF SO REQUESTED, HAS GIVEN
25 THE ASSOCIATION'S AGENT A REASONABLE OPPORTUNITY TO INSPECT THE
26 DAMAGE; AND

27 (III) THE SUBJECT MATTER OF THE CLAIM FALLS WITHIN THE