



INSPECTION OF RECORDS PROCEDURES

By Associated Property Management

At some point-in-time, a community association will receive a request to inspect and/or produce records of the operations and management of the association. The Condominium Act (Chapter 718), Cooperative Act (Chapter 719) and the Homeowners Association Act (Chapter 720) all provide for and instruct the association how to allow owners to inspect official records of the association. In all three cases, the statutes define what constitutes the official records of the association. The statutes provide detailed lists of the records that should be retained by the association and made available for owners and their authorized representatives to inspect and copy.

The Condominium and Cooperative Acts certain legal records, legal opinions, rental and resale approval information and medical records of unit owners are exempt from inspection by unit owners.

These official records are open for inspection at all reasonable times for any association member and or their authorized representative. The right to inspect also allows the member to make or obtain copies of the records at a reasonable expense as well. The association is allowed to make reasonable rules concerning the frequency, time, location, manner of inspection and copying.

These rules would help prevent a unit owner from unreasonably frequent requests to see and inspect records. An association would be wise to consult with their association's attorney for guidance in these manners and to provide help in determining what rules would be reasonable.

In addition to the above, the association is also allowed to impose reasonable fees and costs for providing copies of the official records, including the costs of copying. The association is also required to maintain an adequate number of copies of the recorded governing documents, in order to ensure their availability to members of the association and any prospective members. The association may charge for the actual costs of reproducing these copies. In addition to providing the recorded documents, Condominiums and Cooperatives also should have the articles of incorporation, bylaws, rules, all amendments and question and answer sheets. Real estate brokers are now required to provide the association's last year-end financial statement to their buyers. Therefore, it would also be wise to have copies of these available as well.

According to these statutes, the records must be made available within ten (10) days after receipt of written request by a unit owner and or their authorized representative. Failure to provide access to the records within ten (10) business days after receipt of the request will allow an owner to actual damages or minimum damages for their failure to comply with this section. Minimum damages are \$50.00 per calendar day, up to ten (10) days and can be calculated as of the 11th business day after receipt of the written request.

Associations are required to provide for access to the association's records, but they should enact reasonable rules to help control the process and flow of written information from the association to the unit owner who requests detailed records.

It would be wise for an association to enact these rules and regulations now concerning inspection and copying of records in order to avoid any problems in the future. Review these procedures with your association attorney.

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