

Sec. 17. (p. 9): Clause denies or restricts owner inspection of association financial statements, budgets, or official records in violation of KRS § 381.797 & KRS § 273.233.

Statutory / Legal Reference: KRS § 381.797 & KRS § 273.233

Statutory Comparison: Under KRS § 381.797 (Kentucky Planned Communities Act) and KRS § 381.9197 (Kentucky Condominium Act), the association shall keep financial records sufficiently detailed to enable compliance with statutory resale disclosure requirements, and all financial and other official records shall be made reasonably available for examination by any lot/unit owner and the owner's authorized agents.

CURRENT WORDING IN DOCUMENT:

common areas of the Subdivision, as set forth in the Restrictions or any Final Record Plat pertaining to the Subdivision;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and any common areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to KRS § 381.797 & KRS § 273.233, all financial statements, budgets, meeting minutes, and official records of the Association shall be made reasonably available for examination and copying by any Owner and the Owner's authorized agent upon reasonable written request.

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner in the form of assessments (as provided in the Restrictions).

(b) making assessments to defray the expenses of the Association, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(c) providing for the operation, care, upkeep, and maintenance of any common areas of the Subdivision, as set forth in the Restrictions or any Final Record Plat pertaining to the Subdivision;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and any common areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties.

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the affairs of the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of any common areas in accordance with the other provisions of the Restrictions and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Restrictions, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Restrictions, and paying the premium cost thereof;