

RESOLUTION NO. 99-1

TWIN RIVERS HOMEOWNERS ASSOCIATION
AS TRUSTEE FOR THE TWIN RIVERS COMMUNITY TRUST

ACCESS TO RECORDS BY THE BENEFICIARIES

WHEREAS, the Board of Trustees of the Twin Rivers Homeowners Association, as Trustee for the Twin Rivers Community Trust, is responsible for the enforcement of the Declaration of Restrictions and Reservation of Easements and the Trust Indenture, which were filed as restrictions against all residential properties within the Twin Rivers Planned Unit Development, said restrictions having been adopted by A-S Development, Inc. and filed with the Mercer County Clerk on or about January 8, 1969; and

WHEREAS, the Indenture at Article 19 provides for the books, records and memoranda of the Trustee relating to the Trust to be open to reasonable inspection of the owners or beneficiaries at the Trustee's place of business during business hours upon reasonable notice; and

WHEREAS, the Board of Trustees is empowered with the authority to adopt reasonable rules and regulations in order to carry out the intentions of the governing documents; and

WHEREAS, the Board of Trustees, in its desire to best serve the beneficiaries of the Trust, wishes to provide uniformity in the procedural aspects of said disclosure; and

WHEREAS, the Board of Trustees, in order to act with said uniformity to all beneficiaries, desires to set forth a finite policy with regard to the Article 19 disclosure to the beneficiaries; and

WHEREAS, the Board of Trustees, deems it necessary to set forth fully the specific documents to be disclosed and the process by which all beneficiaries must comply in order to obtain said disclosure; and

WHEREAS, the Board of Trustees also deems it necessary to protect the privacy of all the individual employees of the Trust and to ensure that confidential information relating to said employees is not disclosed, as well as confidential information referencing individual owners, beneficiaries, vendors, contracts and/or financing institutions; and

WHEREAS, on or about January 26, 1995 and thereafter, the Board of Trustees set forth through resolution a policy with regard to the procedure and requirements for obtaining access to records; and

WHEREAS, on February 13, 1996 and April 12, 1996, the Honorable Samuel D. Lenox, Jr., J.S.C. of the Superior Court of New Jersey, Mercer County, Chancery Division, rendered written

decisions in a matter bearing Docket No. MER-C26-95 holding that specific provisions be incorporated into this Resolution, as indicated in Judge Lenox's subsequent Judgments dated March 7, 1996 and May 7, 1996.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the Twin Rivers Homeowners Association as Trustee for the Twin Rivers Community Trust ("Board") hereby sets forth the procedure which must be complied with by all owners and beneficiaries desiring to obtain inspection of documents relating to the Trust and/or Association;

1. Time of Request and Action by the Board. Except for Permitted Documents hereinafter defined in Paragraph 3, all requests to inspect Trust and/or Association documents must be received in writing at the Trust Office at least ten (10) business days prior to the next scheduled Open Board meeting. Such written requests must include a statement of purpose(s) for requesting the document(s). The Board must, in turn, respond to each properly submitted written inspection request, absent exceptional circumstances, within five (5) business days after the Open Board meeting. Absent exceptional circumstances set forth in writing by the Board or its representative within the prescribed time period set forth herein, any failure by the Board to exercise its discretion pursuant to this Policy within said time period automatically shall be deemed an approval of the applicable request.

2. Content of Request. Notwithstanding the terms of Paragraph 1 herein, all requests for Trust and/or Association documents, which are not listed a "Permitted Documents" under Paragraph 3, shall clearly state the purpose(s) for which the inspection of Trust and/or Association documents is requested and identify specifically the documents, including relevant dates, which the owner and/or beneficiary wishes to inspect.

3. Documents to be Disclosed. All requests to inspect Permitted Documents as defined herein, shall be subject to the receipt of a written request for the same. The Trust Administrator shall make available to the requesting owner and/or beneficiary the following Trust and/or Association documents which hereby are deemed to be Permitted Documents ("Permitted Documents") at a mutually convenient time during regular business hours without any approval by the Board.

Current Permitted Documents

Governing Documents:

- Bylaws
- Indenture
- Declaration of Restrictions
- Rules and Regulations

Minutes From Open Sessions (Including All Attachments) for the last three calendar years including:

Board of Directors Meetings (excluding Executive Sessions)
Membership Meetings
Newsletters

Financial Information:

Assessment Records (for own unit only) for the current and previous calendar year
Income Tax Returns for the current and previous calendar year
Financial Statements (annual & monthly) for the current and previous calendar year
Real Estate Tax Records for the current and previous calendar year
Unemployment Tax Returns for the current and previous calendar year
Insurance Policies and Certificates for the current and previous calendar year
Investment Statements for the current and previous calendar year
Annual Budget for the current and previous calendar year
Current Employee Job Descriptions

Current Permitted Documents as listed above, for the time period as set forth herein, will be provided for inspection and copying within ten (10) business days of such a request. Permitted Documents listed under these categories for a time period other than as specifically indicated for Current Permitted Documents are deemed to be "Archived Permitted Documents." Archived Permitted Documents need not be located on the Trust Office premises, but may be off premises. Absent exceptional circumstances set forth in writing by the Board or its representative within the time prescribed herein, Archived Permitted Documents will be made available within twenty (20) business days of such a request. The Trust will impose an administrative charge of \$15.00 per hour for researching and locating Archived Permitted Documents. The Trust Administrator shall have the right to request, in advance, a deposit to cover the estimated amount of any such charge, with any excess to be refunded promptly to the unit owner or beneficiary.

4. Confidential Documents. The following Trust and/or Association documents shall be deemed to be confidential ("Confidential Documents") and shall not be made available to the owners or beneficiaries for inspection at any time without the express prior approval of at least a simple majority of the entire Board after its receipt of a written request stating the purpose(s) for requesting the document(s) as indicated in Paragraphs 1 and 2 herein. If the Board deems that such a request is for a proper purpose and approves same, any granting of such a request shall be subject to such necessary and reasonable restraints and/or conditions as the Board or its representative may impose. In exercising its judgment under this or the preceding paragraphs, the Board's decisions must be made for good cause based upon the factors listed in this paragraph. The Board must consider among other things: (i) whether the stated purpose of the request is inimical to the best interests of the Trust and/or Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Trust and/or

Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of the Trust and/or Association and its Members. The Board must inform the owner/beneficiary of its basis for any denial of making the requested document(s) available for inspection within ten (10) business days of such denial. Documents which are included within the definition of confidential Documents include:

- A. Matters Protected by the Provisions of N.J.S.A. 45:22A-21, et seq. and Senate Act. No. 217 such as:
 - (i) Any document, the disclosure of which would constitute an invasion of individual privacy;
 - (ii) Any document relevant to pending or anticipated litigation or contract negotiations;
 - (iii) Any document falling within the attorney-client privilege to the extent needed for the attorney to exercise his ethical duties as a lawyer; and
 - (iv) Any document involving the employment, promotion, discipline or dismissal of a specific officer or employee of the Trust.
- B. Contract Bids and Proposals - Outstanding
- C. Employee Applications
- D. Employee Files
- E. Payroll Records
- F. Legal Files
- G. Unit Owner Lists
- H. Individual Pension Information

5. Board Discretion and Relevant Factors. Any Trust and/or Association documents which are requested by an owner and/or beneficiary which are not expressly listed above as either a Permitted Document or Confidential Document shall not be made available to owners and/or beneficiaries for inspection without the express prior approval of at least a simple majority of the entire Board after its receipt of a written request stating the purpose(s) for requesting the document(s) as indicated in Paragraphs 1 and 2 herein. If the board deems that such a request is for a proper purpose and approves same, any granting of such a request shall be subject to such conditions as the Board may impose. In exercising its judgment under this or the preceding paragraphs, the Board's decisions must be made for good cause based upon the factors listed in this paragraph. The Board must consider among other things: (i) whether the stated purpose of the request is inimical to the best interests of the Trust and/or Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Trust and/or Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of

the Trust and/or Association and its members. The Board must inform the owner/beneficiary of its basis for any denial of making the requested document(s) available for inspection within ten (10) business days of such denial.

6. If the frequency, redundancy or number of a particular owner's/beneficiary's requests is such that it imposes an undue burden upon the employees of the Trust to produce requested documents in a timely fashion, the Board or its representative may impose necessary and reasonable constraints and/or conditions upon the availability of such documents for inspection and copying.

7. Copying of Documents. In no event shall copies of any documents disclosed pursuant to this Resolution be provided to the inspecting owner and/or beneficiary, including but not limited to document(s) described as Confidential Documents listed in Paragraph 4 herein, except that copies of Permitted Documents as defined in Paragraph 3 herein may be made at the owner and/or beneficiaries' expense, at reasonable rates as determined by the Trust Administrator.

8. Removal of Documents. Except as otherwise provided in this Resolution, no Trust and/or Association documents shall be removed from the Trust office. Moreover the Trust Administrator shall determine when and where all documents shall be inspected and shall ensure that all documents are inspected in the presence of designated Trust personnel.

9. Hours of Access and Related Costs. Despite anything to the contrary in this Policy, the Trust shall not be required to make Trust and/or Association documents available for inspection or copying for more than four (4) hours in any given week, regardless of the number of owner and/or beneficiary requests that may be pending, unless the owner and/or beneficiary requesting same makes arrangement in advance with the Trust Administrator for Trust personnel to be present in excess of the allotted time, either during or outside of normal business hours. In any event, such owners or beneficiaries shall pay to the Trust an administrative charge of \$15.00 per hour for all time in excess of one (1) hour during which such personnel are utilized to fulfill any such request. Moreover, the Trust Administrator shall have the right to request in advance a deposit to cover the estimated amount of any such charge, with any excess to be promptly refunded to the unit owner or beneficiary upon fulfillment of the request.

10. Confidentiality Agreement. Prior to providing any owner or beneficiary with access to the Trust and/or Association documents pursuant to the Twin Rivers Indenture and this Board Resolution, any owner, beneficiary or non-owner (who accompanies said owner or beneficiary) must execute a Confidentiality Agreement in the presence of a witness, restricting the owner and/or beneficiary and/or non-owner from disclosing, either directly or indirectly, in any manner or form, any such information revealed within Confidential Documents listed under Paragraph 4 of this Resolution, or otherwise deemed confidential, notwithstanding not being incorporated within those documents listed as "Confidential".

11. Members in Good Standing. Access to the books, records and memoranda as set forth in Item numbers 1 through 6 shall be provided to owners and/or beneficiaries who are in "good standing" at the time of the written request in the case of Permitted Documents (Item 3) or at the time of the Board vote on the individual disclosure request where such vote is required pursuant to this

Resolution. For purposes of this Resolution, a member in "good standing" shall be defined as a member who has fully paid all installments due for assessments made or levied against the member and/or his or her Unit by the Board, together with all interest, costs, attorney's fees, penalties other expenses, if any, properly chargeable to the member and/or his or her Unit. Owners and/or beneficiaries who seek to challenge a determination that they are not in good standing may review their own unit records and other records which are deemed reasonably related to the matter(s) that resulted in the owner's and/or beneficiary's loss of good standing, such as: inspection reports concerning his/her own unit; the current Twin Rivers Budget; a statement of charges of account of the requesting owner and/or beneficiary; and correspondence with the owner and/or beneficiary directly related to the delinquent assessment(s) or fine(s).

12. Presence of Non-owners/Non-beneficiaries. Unless otherwise stated in this Resolution or in any governing document of the Twin Rivers Community Trust or Twin Rivers Homeowners Association, the owner or beneficiary given Board approval for access to the books, records and memoranda shall have the right to be accompanied during the inspection by any two individuals chosen by the owner or beneficiary.

13. Miscellaneous. This Resolution shall supersede Resolution 95-3, Resolution 96-4, Resolution 97-10, and replace the same. This resolution incorporates those changes to Resolution 95-3 ordered by the Honorable Samuel D. Lenox, Jr., J.S.C., of the Superior Court of New Jersey, Chancery Division, Mercer County in a matter bearing Docket No. MER-C-26-95.

BE IT FURTHER RESOLVED, that the printing of this Resolution in its entirety in the community newsletter publication, *Twin Rivers Today*, or its successors or assigns, shall be deemed to be proper notice to all residents of the Twin Rivers development and the said Resolution shall remain on record on the books of the Twin Rivers Community Trust.

Duly approved by the Board of
Trustees at their meeting of
January 14, 1999

ATTEST:

Robert Hudak, Secretary/Treasurer