

## DOCUMENT REQUEST PROCEDURES

### LAKE ROYALE PROPERTY OWNERS ASSOCIATION A NOT-FOR-PROFIT ORGANIZATION

#### ACCESS TO RECORDS BY THE BENEFICIARIES

The Board of Directors of the LAKE ROYALE PROPERTY OWNERS ASSOCIATION is responsible for the enforcement of the Covenants, Bylaws, Rules and Regulations and Ordinances, which were filed as restrictions against all residential properties Fwithin the Lake Royale jurisdiction. While operating as a Not-For-Profit organization said restrictions having been adopted by Lake Royale Property Owners and filed with the Franklin and Nash County Clerks. This document is in compliance with the Non-Profit Act (55A) and Planned Community Act (47F).

The governing rules provide for the books, records and memoranda of the Association to be open to reasonable inspection of the owners or beneficiaries at the POA's place of business during business hours upon reasonable notice.

The Board of Directors is empowered with the authority to adopt reasonable rules and regulations in order to carry out the intentions of the governing documents. In its desire to best serve the owners and/or beneficiaries, the Board wishes to provide uniformity in the procedural aspects of disclosure. In order to act with fairness to all, they desire to set forth a finite policy with regard to disclosure of documents. Consequently, the Board of Directors deems it necessary to set forth fully the specific documents to be disclosed and the process by which all must comply in order to obtain disclosure.

Most importantly, the Board of Directors also deems it necessary to protect the privacy of all the individual employees of the POA and to ensure that confidential information relating to said employees is not disclosed, as well as confidential information referencing individual owners, beneficiaries, vendors, and contracts and/or financing institutions.

The Board of Directors of the LAKE ROYALE PROPERTY OWNERS ASSOCIATION hereby sets forth the procedure which shall be complied with by all owners and/or beneficiaries desiring to obtain inspection of documents relating to the Association;

1. Time of Request and Action by the Board. Except for Permitted Documents as defined in Paragraph 3, all requests to inspect Association documents must be received in writing at the POA 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, within ten (10) business days after the Open Board meeting.

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

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

Current Permitted Documents (current being defined as within the last year)

Governing Documents:

- Covenants
- Bylaws
- Ordinances
- Rules and Regulations

Minutes from open Sessions (Including All Attachments) for the last three calendar years including:

- Board of Directors Meetings (including Executive Sessions)
- Membership Meetings
- Newsletters

Financial Information:

- Assessment Records (for own property only) for the current and 2 previous calendar years
- Income Tax Returns for the current and 2 previous calendar years
- Financial Statements (annual & monthly) for the current and 2 previous calendar years
- Real Estate Tax Records for the current and 2 previous calendar years
- Unemployment Tax Returns for the current and 2 previous calendar years
- Insurance Policies and Certificates for the current and 2 previous calendar years
- Investment Statements for the current and 2 previous calendar years
- Annual Budget for the current and 2 previous calendar years
- Other Committee(s) and Board of Adjustment minutes
- 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 five (5) 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 POA 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, if possible, within twenty (20) business days of such a request. The POA will impose an administrative charge of \$25.00 per hour for researching and locating Archived Permitted Documents. The POA 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 property owner or beneficiary.

4. Protected Documents. The following Association documents shall be deemed to be protected ("Protected 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 above. 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 unpropitious to the best interests of the Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of the 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 five (5) business days of such denial. Documents which are included within the definition of protected Documents include:

- A. Matters Protected by the Provisions of Non-Profit Act (55A) and Planned Community Act (47F):
  - (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

- B. Contract Bids and Proposals - Outstanding
- C. Employee Applications
- D. Employee Files
- E. Payroll Records
- F. Legal Files
- G. Property Owner Lists
- H. Individual Pension Information

5. Board Discretion and Relevant Factors. Any Association documents which are requested by an owner and/or beneficiary which are not expressly listed above as either a Permitted Document or Protected 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 above. 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 unpropitious to the best interests of the Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of the 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 five (5) 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 Association 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 Procedure be provided to the inspecting owner and/or beneficiary, including but not limited to document(s) described as Protected 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 Association's Agent, with Agent being defined as owner of signature on file with the Secretary of the State of North Carolina for the Lake Royale Property Owner's Association.

8. Removal of Documents. Except as otherwise provided in this Procedure, no Association document(s) shall be removed from the POA office. Moreover the Association's Agent shall determine when and where all documents shall be inspected and shall ensure that all documents are inspected in the presence of designated Association personnel.

9. Hours of Access and Related Costs. Despite anything to the contrary in this Procedure, the Association shall not be required to make 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 Association Agent for 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 POA an administrative charge of \$25.00 per hour for Permitted documents and \$80.00 per hour for Protected documents (which requires attention of the Agent) regarding all time in excess of one (1) hour during which such personnel are utilized to fulfill any such request. Moreover, the Association Agent 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 property owner or beneficiary upon fulfillment of the request.

10. Confidentiality Agreement. Prior to providing any owner or beneficiary with access to the Association documents pursuant to the Lake Royale POA Procedures, any owner, beneficiary or non-owner (who accompanies said owner or beneficiary) must sign Document 1A (Request for Access to Permitted Documents) or Document 1B (Request for Access to Non Permitted Documents) which includes an agreement to confidentiality.

11. Members in Good Standing. Access to the books, records and memoranda as set forth 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 Procedure. For purposes of this Procedure, a member in "good standing" shall be defined as a member who has fully paid all installments due for Administration Fees, Dues, Fines, etc. made or levied against the member and/or his or her Properties by the Association, together with all interest, costs, attorney's fees, penalties other expenses, if any, properly chargeable to the member and/or his or her properties. Owners and/or beneficiaries who seek to challenge a determination that they are not in good standing may review their own property 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 properties; the current Lake Royale POA 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 fees, dues or fines.

12. Presence of Non-owners/Non-beneficiaries. Unless otherwise stated in this Procedure or in any governing document of the LAKE ROYALE PROPERTY OWNERS 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.

It is intended that this DOCUMENT REQUEST PROCEDURE will be added to the Rules and Regulations Part II for the Lake Royale Property Owner's Association at the next official printing for publication. In the interim, publication on the Association's Web site will constitute notice.

ATTEST:

\_\_\_\_\_  
Ken Smith, Secretary                      \_\_\_\_\_  
Date

\_\_\_\_\_  
Stuart Nottingham, President                      \_\_\_\_\_  
Date

\_\_\_\_\_  
Ryan Walker, Vice-President                      \_\_\_\_\_  
Date

# LAKE ROYALE PROPERTY OWNERS ASSOCIATION REQUEST FOR ACCESS TO PERMITTED DOCUMENTS BY THE OWNERS/BENEFICIARIES

1. Requests for access to "Permitted Documents" must comply with the procedures as recorded in the DOCUMENT REQUEST PROCEDURES.
2. Requests must be in writing and shall *identify specifically* the documents, which the owner/beneficiary wishes to inspect including any applicable time periods.
3. Inspection of "Permitted Documents" will be scheduled at a mutually convenient time during regular business hours in the POA Office. There is a \$25.00 per hour administrative fee for all time spent in excess of one (1) hour. Copying of "Permitted Documents" will be produced within ten (10) business days from receipt of an appropriate written request and the current charge is \$.50 per page.

Please Print or Type:

Referencing lot # (s) \_\_\_\_\_

Name of Owner/Beneficiary: \_\_\_\_\_ Phone #: (    ) \_\_\_\_\_

Address: \_\_\_\_\_

<u>Title of Document</u>	<u>Date of Document</u>	<u>Number of Pages</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Do you wish to inspect the documents listed above? \_\_\_\_\_ Yes \_\_\_\_\_ No

List your choice of dates:

1<sup>st</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: \_\_\_\_\_ AM PM

2<sup>nd</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: - \_\_\_\_\_ AM PM

3<sup>rd</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: \_\_\_\_\_ AM PM

Do you wish copies of the documents listed above? Yes \_\_\_\_\_ (current charge \_\_\_\_\_) No \_\_\_\_\_

Please state purpose of information requested:

\_\_\_\_\_  
\_\_\_\_\_

I understand all information is to be used for stated use only and is considered confidential between myself and Lake Royale POA unless written permission is obtained from the Lake Royale Board of Directors.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Office use only: Date received \_\_\_\_\_ Date available \_\_\_\_\_ Amount Paid \_\_\_\_\_ Date picked up \_\_\_\_\_

# LAKE ROYALE PROPERTY OWNERS ASSOCIATION REQUEST FOR ACCESS TO NON-PERMITTED OR PROTECTED DOCUMENTS BY THE OWNERS/BENEFICIARIES

1. Requests for access to “Non-Permitted or Protected Documents” must comply with the procedures as recorded in the DOCUMENT REQUEST PROCEDURES.
2. Requests must be in writing and shall clearly state the purpose for which the inspection of “Non-Permitted or Protected Documents” is requested and *identify specifically* the documents, which the owner/beneficiary wishes to inspect including any applicable time periods. Written requests must be received within ten (10) business days prior to the next scheduled Open Board meeting.
3. Inspection of “Non-Permitted or Protected Documents” will be scheduled at a mutually convenient time during regular business hours in the POA Office. There is a \$80.00 per hour administrative fee for all time spent in excess of one (1) hour.

*Please Print or Type:*

Related Lot #(s) \_\_\_\_\_

Name of Owner/Beneficiary: \_\_\_\_\_ Phone #: (    ) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_

Title of Document \_\_\_\_\_ Date(s) \_\_\_\_\_ # of Pages \_\_\_\_\_

Title of Document \_\_\_\_\_ Date(s) \_\_\_\_\_ # of Pages \_\_\_\_\_

Title of Document \_\_\_\_\_ Date(s) \_\_\_\_\_ # of Pages \_\_\_\_\_

Title of Document \_\_\_\_\_ Date(s) \_\_\_\_\_ # of Pages \_\_\_\_\_

Reason for Request: (Be specific for each item listed, use reverse side for lengthy explanation)



List your choice of dates:

1<sup>st</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: \_\_\_\_\_ AM PM

2<sup>nd</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: \_\_\_\_\_ AM PM

3<sup>rd</sup> Date \_\_\_\_\_ Time: From: \_\_\_\_\_ AM PM To: \_\_\_\_\_ AM PM

I understand all information is to be used for stated use only and is considered confidential between myself and Lake Royale POA unless written permission is obtained from the Lake Royale Board of Directors.

Signed \_\_\_\_\_ Date \_\_\_\_\_

**Office use only:** Duly approved by the Board at their meeting of \_\_\_\_\_ Vote \_\_\_\_\_ yes \_\_\_\_\_ no

Date received \_\_\_\_\_ Date of inspection \_\_\_\_\_ Amount Paid \_\_\_\_\_