

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
STONE CREEK III HOMEOWNERS ASSOCIATION
ESTABLISHING POLICY FOR THE
RETENTION, INSPECTION AND PRODUCTION OF BOOKS AND RECORDS**

WHEREAS, the Stone Creek III Homeowners Association (the "*Association*") keeps correct and complete books and records of accounts and minutes of the proceedings of its members and Board of Directors (collectively, the "*Association Records*"); and,

WHEREAS the members of the Association shall have the right, during reasonable business hours, to inspect and obtain copies of the Association Records; and,

WHEREAS it is desirable to impose certain reasonable restrictions on the process of book and record inspecting and copying Association Records;

NOW THEREFORE BE IT RESOLVED that the following requirements are hereby established for the inspection and copying of Association Records:

1. An owner, or a person designated in writing by the owner as the owner's agent, attorney, or certified public accountant, may make a request to inspect or obtain copies of Association Records.
2. A request to inspect Association Records must be submitted in writing via certified mail, return receipt requested, to the Association and/or its duly authorized agent by certified mail to Stone Creek III Homeowners Association, Inc. whose address is P.O. Box 191185, Dallas, Texas 75219.
3. The request must identify with sufficient detail the Association Records requested and contain an election to either receive copies of identified Association Records or to inspect the Association Records requested at a location designated for inspection. The Association's governing documents, its membership register, its books of account, and the minutes of the meetings of the members, the Board, and committees may be inspected.
4. The *Association*, within ten (10) business days from receipt of a request under paragraph 2, will provide as appropriate:
 - (i) if an inspection is requested, notice of dates which during normal business hours the Association Records requested can be inspected and the location where they can be inspected, to the extent they are in the possession, custody or control of the Association, or as provided under Statute may be inspected, or
 - (ii) if copies are requested, produce copies of the requested Association Records to the extent they are in the possession, custody or control of the Association (only when prior payment for such records has been received), or
 - (iii) if the Association is unable to produce the Association Records requested, which are in the possession, custody or control of the Association, written notice that it is unable to produce the records within the 10-day period and set forth a date, within 15 business days of the notice provided under this paragraph 4(iii), by which the Association Records will be made available for inspection to the owner.

5. The Association will send the requesting party an estimate of the costs to respond, compile, produce, and reproduce information requested. The Association shall require advance payment, in certified funds, of the estimated costs. The requesting party shall be responsible for any costs above the estimate and the full amount due will be added to the requesting party's account as an assessment if not paid in full upon request.
6. Persons requesting to inspect Association Records shall not disrupt the ordinary business activities of the office where Association Records are kept during the inspection.
7. Certain Association Records shall remain confidential and will not be provided in response to a request for copies or inspection of Association Records, to wit: violation histories of owners, owners' personal financial information (including records of assessment payment history), owners' contact information other than address, and Association personnel files. Association Records described in this paragraph 7 shall only be made available with the owner's written approval or a court ordering the Association to release the information.
8. No original books or records may be removed from the premises without the express written consent of the Board.
9. Owners are responsible for the costs of producing and copying Association Records under the provisions of the Texas Property Code and Applicable Law, the costs are \$.10 per page, \$.50 for oversize page, \$15.00 per hour for personnel time spent in responding to a request, overhead of 20% of personnel charge, and must be paid in advance. A personnel charge and overhead charge will not be made for complying with requests that are for 50 or fewer pages of paper records, unless the records are located in a remote storage facility or in two or more separate buildings. To the extent that retrieval of documents from a remote storage facility results in a charge, the Association shall charge the costs of such services to the requesting owner. The costs of producing and copying Association Records are subject to change as authorized by applicable law.
10. The Association is under no obligation to provide any additional information other than that which is required by law.

This Policy shall supersede and replace any and all previously adopted policies adopted by the Board, if any, addressing the inspection and copying of books and records.

This Policy shall remain in effect until revoked, modified or amended by the Board of Directors.

This is to certify that the foregoing resolution was adopted by a majority of the entire Board of Directors at a meeting of same held or by electronic means on NOVEMBER 13, 2012, and has not been modified, rescinded or revoked.

Stone Creek III
Homeowners Association, Inc.

By: _____


Board President

RECORD STORAGE POLICY - EXHIBIT "A"

RECORD/DOCUMENT	RETENTION/STORAGE PERIOD	
	STATUTE REQUIREMENTS	HOA POLICY
<u>Accounting/Financial</u>		
Financials (Balance Sheet/Income Statement)	(7yrs Plus Current Year)	Permanent
Disbursement/Aging Reports, Accts Payable, etc.	(7yrs Plus Current Year)	Permanent
Financial Audits	(7yrs Plus Current Year)	Permanent
Federal/State Tax Returns	(7yrs Plus Current Year)	Permanent
General Ledgers	(7yrs Plus Current Year)	Purge after 7yrs
Vendor Invoices/disbursement stub	(7yrs Plus Current Year)	Purge after 7yrs
Bank Statements	(7yrs Plus Current Year)	Purge after 7yrs
Cancelled Checks	(7yrs Plus Current Year)	Purge after 7yrs
Copies of Payments Received	(7yrs Plus Current Year)	Purge after 7yrs
IRS Notices/Federal Tax ID	N/A	Permanent
Texas Notice of Franchise Exemption	N/A	Permanent
Federal/State Tax Returns	N/A	Permanent
Signature Cards	N/A	Shred/Purge after account close
<u>Master File Records</u>		
CCR's, Bylaws, Articles Inc., Amendments, Resolutions	Permanent	Permanent
Plats/Maps (if any)	N/A	File Copy Stored
Easements	N/A	File Copy Stored
Insurance Policies	(7yrs Plus Current Year)	Permanent
Insurance Claims	(7yrs Plus Current Year)	Permanent
Lawsuits/General	N/A	Purge after 7 Years
HOA Contracts (short/long term service/projects)	(Expiration + 4yrs)	(Expiration + 4yrs)
Minute of Meetings	(Permanent)	(Permanent)
Member Meeting/Voting/Sign-In/Proxies, Etc.	N/A	Shred after 4 years
Budgets	N/A	Permanent
Warranties	N/A	Shred after Warranty
Agendas/Reports	N/A	Shred after 7 years
Committee Reports/Minutes - as provided by Comm.	N/A	Shred after 7 years
Contract Bid Specifications	N/A	Shred after 4 years
Proposals/Bids/Photos	N/A	Shred after 4 years
Utility Agreements	N/A	Shred after 4 years
Loan Documentation	N/A	Shred after 7 years
Legal Opinions	N/A	Permanent
Engineering/Structural Reports	N/A	Permanent
Newsletters/Publications	N/A	Permanent
Irrigation/Landscape Reports	N/A	Shred after 2 years
Work Orders/Service Requests	N/A	Shred after 2 years
Reserve Studies/Component Studies	N/A	Permanent
RECORD/DOCUMENT		
<u>Master File/Property Owner Records</u>		
No Specific Retention Requirement for Master/Owner Files*		
General Owner Information	(Ownership Period + 5 Years after) Purge Files After	
Owner Correspondence	(Ownership Period + 5 Years after) Purge Files After	
Property Deeds	(Ownership Period + 5 Years after) Purge Files After	
Violation Correspondence	(Ownership Period + 5 Years after) Purge Files After	
ACC Modification/Submissions, etc.	Permanent	Permanent
Collection Correspondence	(Ownership Period + 5 Years after) Purge Files After	
Judgments/Release of Judgments	(Ownership Period + 5 Years after) Purge Files After	
Liens/Release of Liens	(Ownership Period + 5 Years after) Purge Files After	
Legal Collection Correspondence	(Ownership Period + 5 Years after) Purge Files After	
Dispute of Debt	(Ownership Period + 5 Years after) Purge Files After	
Lawsuits/Legal Correspondence Property Specific	Permanent	
Individual House Plans (if any)	Shred after 5 years OR Return to Owner/ACC	

*The new state statute does not specify and record retention requirements for Master File/Property Owner Records.
Therefore, under this program we will keep these records for the Ownership Period plus 5 Years and purge/shred them after this period.