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**ASSOCIATION & MEMBER RECORDS
MANAGEMENT AND DISCLOSURE
POLICY AND PROCEDURES**

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Issaquah Highlands Community Association & Member Records Management and Disclosure Procedures

POLICY AND PROCEDURES

I. INTRODUCTION

The purpose of this document is to identify the Association or Member Records maintained by the Issaquah Highlands Community Association (IHCA), the retention period for these records, and procedures for members to examine and/or copy the records.

II. BACKGROUND

According to the Revised Code of Washington (RCW), the Association is responsible for keeping certain financial, corporate, and business records, files, and documents, whether maintained electronically or in hard copy (herein "Association or Member Records"). Further, the RCW requires that certain records of the Association be available for examination by all owners, holders of mortgages on lots, and their respective authorized agents except in certain situations. Inspection of Association or Member Records by Members (and Mortgagees) and by Directors is also addressed in Section 7.4: Books and Records: Inspections By Members and Mortgagees, of the IHCA By- Laws. It is the Association's intent to make Association or Member Records available to Members as provided by law.

III. RESIDENTIAL COMMUNITY ASSOCIATION FILES

The following records are maintained by IHCA administration staff:

1. Association Financial Records. These include but are not limited to:

- a. Annual Budget
- b. Accounts Receivable
- c. Accounts Payable Invoices and Check Requests
- d. Detailed Records of Receipts and Expenditures
- e. Invoices for Assets
- f. Monthly Financial Reports
- g. Monthly Financial Statements
- h. Financial Overview
- i. Balance Sheet Comparison Report
- j. Balance Sheet
- k. Income Statement Operating
- l. Income Statement Reserve
- m. Income Statement Capital Improvement
- n. Income Statement Operating by Month
- o. Income Statement Reserve by Month
- p. Income Statement Capital Improvement by Month
- q. Accounts Payable Aging Report
- r. Check Request Report
- s. Investment Cash Management Report
- t. Monthly Resale Report
- u. Monthly Capital Contribution Report
- v. Monthly Prepaid Asset Report

- w. Aged Owner Balance Report
 - x. Reconciliation Report
 - y. Bank Deposit Slips
 - z. Investment/Bank Statements that include Check Images
 - aa. Monthly Inventory Lists
 - bb. Monthly General Ledger Report
 - cc. State and Federal Tax Returns
 - dd. Audit Reports
 - ee. Other Financial Records as Reasonably Determined by the Board of Directors as listed in Exhibit B
2. Association Corporate and Business Records. These include but are not limited to:
- a. Covenant to Share Costs and Declaration of Easement
 - b. Articles of Incorporation
 - c. Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and Amendments, and Supplemental Declarations
 - d. By-laws
 - e. Records of any Action Taken by the Board or Association Without a Meeting
 - f. Notice of Private Transfer Fee Obligation
 - g. Notice of Expiration of Class "B" Control Period
 - h. Supplemental and Neighborhood Declarations
 - i. Board Rules and Regulations
 - j. Board Policies and Resolutions
 - k. Residential Design Guidelines
 - l. Board Adopted and Member Ratified Annual Budgets
 - m. Resolutions of the Board of Directors
 - n. Contracts to which the Association is or was a Party
 - o. Warranties Provided to the Association
 - p. Third-party Work Orders
 - q. Records Involving Actual or Potential Legal Disputes and Litigation and Legal Opinions, Attorney-Client Correspondence and Other Matters Protected by Attorney-client and/or other Applicable Privilege
 - r. Most Recent Annual Report Delivered to the Secretary of State
 - s. State and Federal tax Identification Numbers
 - t. As Built Blueprints & Specifications as Provided by Declarant for Common Facilities
 - u. Minutes of Annual and Special Meetings of the Members
 - v. Annual Homeowner/special Meeting Packets
 - w. Ballots, Proxies, Absentee Ballots, and all other Records related to voting by Owners, including any Certification of Election results
 - x. Copies of all Notices Provided to the owners or the Association
 - y. Approved Board and Committee Meeting Minutes, Board appointed task force Meeting Minutes, and Work Group Meeting Minutes
 - z. Record of any Action taken by a Committee in Place of the Board
 - aa. Committee Reports
 - bb. Design Review Approvals and Denials and any Materials Relied upon for any Approval or Denial
 - cc. Member Records Concerning Financial, Property, or Personal Information, including Alleged Violations of Issaquah Highlands Governing Documents and Subsequent Reviews, Hearings, and Findings. this includes Reports on

Compliance Activities

- dd. Any Materials relied upon concerning a decision to enforce the Governing Documents
 - ee. An Annually updated Record of Current members and Addresses
 - ff. Association Databases Exhibit A
 - gg. A Record of officers' and Directors' Names, Addresses, and Contact Information per Exhibit B
 - hh. The Names of Current Owners' Addresses Used by The Association To Communicate With Them
 - ii. Reserve Studies
 - jj. Reports of Common Facilities and Association Maintained Inspections and Certifications
 - kk. Member Comment Forms
 - ll. Insurance Policies under which the Association is a Named Insured
 - mm. Insurance Claims
 - nn. Accident Reports
 - oo. Fire Inspection Reports
 - pp. Other Business and Corporate Records as Reasonably Determined by the Board of Directors
 - qq. Other Files and Documents that may be Authorized and Identified by the Board of Directors
3. Association Databases. Different databases and/or software programs are used to manage various aspects of the Association. These various databases/software programs are noted in Exhibit A. Although each system is intended to manage specific and unique elements of the Association, they are intended to be kept in sync with one another and the system will be kept updated ongoing.

IV. RECORDS RETENTION SCHEDULE

All Association or Member records will be stored according to the retention schedule in Exhibit B.

V. RECORDS AVAILABLE ON THE IHCA WEBSITE

Significant records concerning Issaquah Highlands Community Association are available on the Issaquah Highlands website (See Exhibit B), and Members are encouraged to access these records online prior to submitting a request to the IHCA Office. Obtaining the records through the website will save the Association cost and effort and will further save the Requesting Member the costs to gather and then review the information. The following records are posted on the Issaquah Highlands website but may change from time to time:

- Approved Board and Committee agendas, approved minutes of meetings of the Board of Directors and Committees, and approved agendas and minutes of Annual Association Meetings
- Association Governing Documents (CC&Rs, By-Laws, Covenant to Share Costs and Declarations of Easements, IHCA Articles of Incorporation, Residential Design Guidelines, Board Rules, and Regulations, etc.)
- Approved Association Budgets
- Association financial information including monthly balance sheet, profit and loss and variance reports, and annual audit

VI. EXAMINATION OF ASSOCIATION OR MEMBER RECORDS

Members of the Issaquah Highlands Community Association are authorized by law to examine and reproduce certain Association or Member Records. Accordingly, authorized records of the Association, including the names and addresses of owners and other occupants of the lots, will ordinarily be available for examination by all Members, holders of mortgages on the lots, and their respective authorized agents on reasonable advance notice during normal working hours at the office of the Association or its managing agent. The sale of Members' lists obtained by inspection is prohibited.

1. Records Available to Association Members: Not all records listed in the policy maintained by the Association are necessarily available to Association members. Subject to the limitations set forth below and by applicable law, the following records will be made available to members or their authorized agents upon request:
 - a. The current budget, detailed records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting records within the last seven years
 - b. Minutes of all meetings of its owners and Board other than executive sessions, a record of all actions taken by the owners or Board without a meeting, and a record of all actions taken by a committee in place of the Board on behalf of the Association
 - c. The names of current owners, addresses used by the Association to communicate with them, and the number of votes allocated to each lot; except that this information shall not be made available to holders of mortgages on the lots
 - d. The original or restated declaration organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect
 - e. All financial statements and tax returns of the Association for the past seven years
 - f. A list of the names and addresses of the Association's current Board members and officers
 - g. The most recent annual report delivered to the Secretary of State if any
 - h. Copies of contracts to which the Association is or was a party within the last seven years
 - i. Materials relied upon by the Board or any Committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made
 - j. Materials relied upon by the Board or any Committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made
 - k. Copies of insurance policies under which the Association is a named insured
 - l. Any current warranties provided to the Association
 - m. Copies of all notices provided to owners or the Association in accordance with applicable law or the Association's governing documents
 - n. Ballots, proxies, absentee ballots, and other records related to voting by owners for one year after the election, action, or vote to which they relate
 - o. Other Documents specifically authorized by the Declarations, By-Laws, Board Policies or as otherwise approved by the Board and listed in Exhibit B
2. Exclusion from Examination. Records retained by an Association must have the following information redacted or otherwise removed prior to disclosure.

- a. Personnel records relating to specific IHCA staff members
 - b. Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated
 - c. Existing or potential litigation or mediation, arbitration, or administrative proceedings
 - d. Existing or potential matters involving Federal, State, or Local administrative or other formal proceedings before a Governmental tribunal for enforcement of the governing documents
 - e. Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the Association
 - f. Information the disclosure of which would violate a court order or law.
 - g. Records of an executive session of the Board
 - h. Individual lot files other than those of the requesting owner. Unlisted telephone numbers or electronic mail addresses of any unit owner or resident
 - i. Security access information provided to the Association for emergency purposes
 - j. Agreements that for good cause prohibit disclosure to the members
3. Persons Entitled to Examine and/or Copy Records. Only Members, holders of mortgages on the lots, and their respective authorized agents may examine or copy Association or Member Records.

A Member is a person defined in IHCA CC&Rs Section 2.20 and section 6.2 as it currently exists or as it may be amended in the future.

2.20. "Member": A Person subject to membership in the Residential Association pursuant to Section 6.2.

6.2. Membership.

Every Owner shall be a Member of the Residential Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(a) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. Membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, manager, or member or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Residential Association.

The definition of a member requesting to examine and/or copy records (Requesting Member) does not include occupants or tenants of residences located within Issaquah Highlands unless such persons are legal owners (i.e., on title).

4. Request to Examine and/or Copy Records. The Association will allow examination of Association or Member Records only upon written request by the Requesting Member (see Exhibit C) or otherwise as otherwise required by law. Said written request shall be signed by the Requesting Member. Association or Member Records will be made available provided that the Requesting

5. Member and/or his/her/its agent complies with reasonable conditions imposed by the Association, including but not limited to preserving the integrity of the Association or Member Records, prohibiting commercial use of the records, and other conditions reasonably related to permitting access for lawful purposes. The Association will provide access to examine and copy original documents but will not compile or synthesize information.
6. Fees. As allowed by law, the Association will impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association for time spent providing access to records. (See Section VI.8, below)
7. Request to Examine and/or Copy Association or Member Records. The Association may require a Requesting Member to provide copies of documents verifying the Requesting Member's identity and status as a member in order to assure that Association and Member Records are not disclosed to unauthorized persons (see Exhibit C). Establishment of the right to examine and/or copy the Association or Member Records may also require proof that a Requesting Member's agent is properly acting within the capacity and scope of his/her authority. In the event the request is submitted by an authorized agent purporting to act on behalf of a member, the represented Member must also sign the request.

Requests submitted by Requesting Members to examine and/or copy Association or Member Records shall be governed by provisions included in this document, the related Request, applicable Board resolutions, rules, and procedures, and IHCA CC&Rs, By-Laws, Design Review Guidelines, and other applicable Governing Documents (collectively "Association Governing Documents").

The Association shall make every reasonable effort to ensure that the requested records are complete. To obtain Association or Member Records, a member or his/her designee must prepare a Request to Examine and/or Copy Association or Member Records (Exhibit C) and submit it to the Residential Community Association staff. The Request shall identify the specific records requested. Once the record request has been completed, the Member or Member's designee will be notified when he/she can examine or obtain copies of the records, if permitted pursuant to this rule. Members are permitted to examine paper records under Staff supervision. Direct access to electronic records will not be given in order to maintain the security of the associated information systems. Accordingly, digital or paper copies of records will be provided to the Requesting Owner. This includes printed copies of existing reports that do not require compilation or synthesizing. The cost per printed page is the same as the per page price of providing copies of paper documents. (See *Section VI.8, below.*)

8. Process, Procedures and Costs to Provide Requested Records. The time necessary to provide accessible Association or Member Records will depend upon the nature and extent of the records requested, and the amount of effort necessary to obtain them. A reasonable cost, paid in advance, may be charged for this process. If a fee is to be charged, the Member will be notified before the records are accessed or copied, and an estimate of the cost will be provided, if it is reasonable to do so. A minimum charge of one hour shall apply.

Records in the custody of or under the control of other entities, including contracted management entities, may require additional time and cost to obtain the requested Association or Member Records.

The cost for providing the requested records is \$45 per hour, rounded up to the nearest hour. When the records have been compiled or prepared, the actual cost of the service will be provided to the Member. The charge must be paid before the records are made available to the Owner.

If the member requests paper copies of records, there will be an additional charge of \$0.15 per page.

There shall be no charge to Members for copies of Articles of Incorporation or By-Laws (as per RCW 24.03A.220).

EXHIBITS

Exhibit A: ASSOCIATION DATABASES

Exhibit B: RECORDS RETENTION SCHEDULE

Exhibit C: REQUEST TO EXAMINE AND/OR COPY ASSOCIATION OR MEMBER RECORDS

Exhibit A: ASSOCIATION DATABASES

Databases and/or software used in managing the Association include, but may not be limited to:

- Yardi – primary Association accounting and community management software
- Condo café – owner account portal through Yardi
- Issaquah Highlands.com - community website- owned and maintained by Highlands Council for a monthly fee to IHCA.
- Washington Alarms – Security camera and building access systems

Data Security and Backup

IHCA main data repository is in the Cloud on Microsoft Azure (which is continuously backed up 24/7 in real time) with a four-tier deep on and off Cloud data storage and business continuity model. Data is stored in the Cloud and backed up to both Cloud and Physical off Cloud areas as well as off Cloud Storage that is backed up and archived to both On Cloud and Off Cloud physical locations. Thus, resulting in data redundancy and data physical separation.

Each location is replicated to the data center, through NuOZ in the state of Washington, which is the repository for both production data and for backups and archives.

Virtual security includes the following overview: All connections into and out of the data center are managed via layers of security including firewalls, VPN concentrators and encryption

Exhibit B - RECORD RETENTION SCHEDULE

The schedule below indicates where files are required to be kept, though they may exist in more than one format or location.

Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
Financial Records					
Annual Budget	7	X	X		X
Accounts Receivable	7	X			X
Accounts Payable including Invoices and Check Requests	7	X			X
Detailed Records of Receipts and Expenditures	7	X			X
Invoices for Assets	7	X			X
Monthly Financial Reports	7	X	X		X
Monthly Financial Statements	7	X	X		X
Financial Overview	7	X			X
Balance Sheet Comparison Report	7	X			X
Balance Sheet	7	X			X
Income Statement Operating	7	X			X
Income Statement Reserve	7	X			X
Income Statement Capital Improvement	7	X			X
Income Statement Operating by Month	7	X			X
Income Statement Reserve by Month	7	X			X
Income Statement Capital Improvement by Month	7	X			X

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Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
Accounts Payable Aging Report	7	X			X
Check Request Report	7	X			X
Investment Cash Management Report	7	X			X
Monthly Resale Report	7	X			X
Monthly Capital Contribution Report	7	X			X
Monthly Prepaid Asset Report	7	X			X
Aged Owner Balance Report	7	X			X
Reconciliation Report	7	X			X
Bank Deposit Slips	7	X			X
Investment /Bank Statements that include Check Images	7	X			X
Monthly Inventory Lists	7	X			X
Monthly General Ledger Report	7	X			X
State and Federal Tax Returns	7	X			X
Audit Reports	7	X	X		
Other Financial Records as determined by the Board of Directors	7	X			X

Issaquah Highlands Community Association & Member Records Management and Disclosure Procedures

Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
ASSOCIATION CORPORATE/BUSINESS AND OTHER RECORDS					
Covenant to Share Costs and Declaration of Easement	Permanent	X	X		
Articles of Incorporation	Permanent	X	X		X
Declaration of Covenants, Conditions and Restrictions (CC&Rs) and Amendments, and Supplemental Declarations	Permanent	X	X		X
By-Laws	Permanent	X	X		X
Records of Any Action Taken by the Board or Association Without a Meeting	Permanent	X			X
Notice of Private Transfer Fee of Obligation	Permanent	X			X
Notice of Expiration of Class "B" Control Period	Permanent	X	X		X
Supplemental Neighborhoods Covenants and Personal Property Information	Permanent	X			X
Board Rules and Regulations	Permanent	X	X		X
Board Policies and Resolutions	Permanent	X	X		X
Residential Design Guidelines	Permanent	X	X		X
Board Adopted and Member Ratified Annual Budgets	Permanent	X	X		X
Resolutions of the Board of Directors	Permanent	X	X		X
Contracts to which the Association is or was a Party to	7	X			X
Warranties Provided to the Association	7	X			X
Third-party Work Orders	7	X			

Issaquah Highlands Community Association & Member Records Management and Disclosure Procedures

Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
Records Involving Actual or Potential Legal Disputes and Litigation and Legal opinions, Attorney-Client Correspondence, and other Matters Protected by Attorney- Client and/or other Applicable Privilege	Permanent	X			
Most Recent Annual Report Delivered to the Secretary of State	Permanent	X			X
State and Federal Tax ID Numbers	Permanent	X			
As Built Blueprints & Specifications as Provided by Declarant for Common Facilities	Permanent	X	X		
Minutes of Annual and Special Meetings of the Members	Permanent	X	X		X
Annual Homeowner/Special Meeting Packets	1-Year	X			X
Ballots, Proxies, Absentee Ballots, and Other Records Related to Voting by Owners, Including Certification of Election or Vote Results	1-Year After Election, Action, or Vote	X			X
Copies of All Notices Provided to the Owners or the Association	Permanent	X			X
Approved Board Committee Meeting Minutes, Board appointed Task Force Meeting Minutes, and Work Group Meeting Minutes	Permanent	X	X		X
Record of Any Action Taken by a Committee in Place of the Board	Permanent	X	X		X
Committee Reports	3	X	X		
Design Review Approvals and Denials and Any Materials Relied Upon Concerning a Decision to Enforce the Governing Documents	7	X			X

Issaquah Highlands Community Association & Member Records Management and Disclosure Procedures

Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
Member Records concerning Financial, Property, or Personal Information, including alleged Violations of Issaquah Highlands Governing Documents and Subsequent Reviews, Hearings, and Findings. This Includes Reports on Compliance Activities	7	X			
Any Materials Relied Upon Concerning a Decision to Enforce the Governing Documents	7	X			X
The Names of Current Owners, Addresses Used by the Association to Communicate with Them, and the Number of Votes Allocated to Each Lot	Permanent (Updated Continually)	X			X
Policies and Procedures Demonstrating Compliance with the Fair Housing Act and rules Promulgated thereunder, including but not limited to the Documents Contemplated by Section 3.1 of the CC&Rs	Permanent	X			X
A Record of Officers' and Directors' Names, Addresses, and Contact Information	1 Year-Current Roster	X			X
Reserve Studies	7	X			
Reports of Common Facilities and Association Maintained Inspections and Certifications Member comment forms	7	X			
Insurance Policies Under Which the Association is a Named Insured	7	X			X
Insurance Claims	7	X			
Accident Reports	7	X			
Fire Inspection Reports	7	X			

Issaquah Highlands Community Association & Member Records Management and Disclosure Procedures

Record	Years to Keep	Electronic	Website	Hard Copy	Records in Bill/Law
Other Business and Corporate Records as reasonably determined by the Board of Directors	As Determined by Board	X			
Other Files and Documents that may be authorized and identified by the Board of Directors	As Determined by Board	X			

**Exhibit C - REQUEST TO EXAMINE AND/OR COPY ASSOCIATION OR
MEMBER RECORDS**

To be developed