

RECORDS MANAGEMENT AND RETENTION POLICY

OF

The STINSON BEACH VILLAGE ASSOCIATION

A California Nonprofit Public Benefit SBVA

ARTICLE I. INTRODUCTION

Section 1. The Stinson Beach Village Association (hereafter, “SBVA”) requires its directors, officers, employees, volunteers, agents and other personnel to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The purpose of this Records Management and Retention Policy (“Policy”) is to ensure that all Records (as defined in Section 3 of this Article) necessary for business and compliance reasons will be retained for a period of time that will reasonably assure their availability when needed, but for no period of time longer than reasonably necessary. This Policy is intended to supplement but not replace any state and federal laws governing the destruction of documents and records applicable to nonprofit and charitable organizations.

Section 2. It is the policy of SBVA to retain and manage all Records in accordance with uniform guidelines, practices, and procedures. All SBVA directors, officers, employees, volunteers, agents and other personnel (all such persons are referred to in this Policy as “SBVA personnel”) shall manage, protect, and maintain all Records in accordance with the Records retention schedule (“Retention Schedule,” attached as **Schedule 1**) and this Policy.

Section 3. “Records” means all documents, files, or records created by any SBVA personnel while acting within the course and scope of his or her duties pertaining to SBVA business or operations, including but not limited to: computer records, electronic mail (“e-mail”), voice mail messages, handwritings, photographs, photocopies, or facsimile, regardless of the manner in which the record has been stored. Specific categories and types of Records are contained in the Retention Schedule.

Section 4. All Records required to be retained to document SBVA’s legal compliance, or otherwise required by law, rule or regulation to be retained, shall be retained for the periods required by law as described in the Retention Schedule. All Records required to be retained due to pending or threatened litigation or investigation shall be retained for so long as the litigation or investigation is active, plus any additional tail period as may be provided for in this Policy and the Retention Schedule.

ARTICLE II. SCOPE

Section 1. All Records pertaining to SBVA business maintained or created by any SBVA personnel, including any Records retained off SBVA property, are subject to the requirements of this Policy. The format of Records to be retained may vary, e.g., hard copy original, photocopy, facsimile, microfilm, microfiche, computer file, e-mail, computerized image. Regardless of the format selected, Records must be safeguarded and easily accessible.

In addition to paper Records, this Policy applies to all electronic Records, including Records created or maintained by SBVA personnel remotely, such as on home personal computers or laptops.

Section 2. To the extent possible, the Record retention guidelines contained in this Policy should apply to all applicable Records created, maintained, stored, or otherwise in the possession of SBVA's third party vendors.

ARTICLE III. LEGAL HOLD

Section 1. Retention procedures will be suspended when a Record or group of Records are placed on legal hold ("Legal Hold"). A Legal Hold requires preservation of appropriate Records under special circumstances, such as litigation, government investigations or consent decrees. In the event that SBVA's Board of Directors or management learns of any claim that could reasonably give rise to litigation or government investigation, SBVA shall consult with legal counsel as to the need for a Legal Hold. In such case, SBVA in consultation with legal counsel will determine and identify what Records are required to be placed under a Legal Hold.

Section 2. Individual SBVA personnel will be notified if a Legal Hold is placed on Records for which the individual is responsible. The individual is then required to locate, index and protect the necessary Records. Any Record that is relevant to a Legal Hold must be retained and preserved. If the individual is unsure whether a Record is relevant to a Legal Hold, the individual should protect that Record until he or she receives clarification from his or her supervisor following SBVA's consultation with its legal counsel. **FAILURE TO COMPLY WITH A LEGAL HOLD MAY RESULT IN SIGNIFICANT RISK, EXPOSURE OR LIABILITY TO SBVA.**

Section 3. A Legal Hold remains effective until it is released in writing by SBVA after consultation with legal counsel. Following the final resolution of the relevant litigation, government investigation or consent decree, SBVA will consult with legal counsel as to the release of the Legal Hold. After the individual receives written notice, the individual may return all Records relevant to the Legal Hold to their normal retention procedures.

ARTICLE IV. ADMINISTRATION

Section 1. This Policy is to be administered by the Secretary of the Board. Questions regarding this Policy should be directed to the Secretary.

Section 2. Guidelines for retention of Records are provided for in the Retention Schedule. Any changes to the Retention Schedule must be approved by the Board

Section 3. All Records shall be created, maintained and stored in a manner that complies with SBVA's Records storage, accessibility and retrieval procedures.

Section 4. Records kept on-site should be destroyed in accordance with the Retention Schedule. Records that are sent off-site shall be labeled with a destruction date.

Each year, the Secretary will review a list of all Records that have reached the destruction date, and will confirm that the Records can be destroyed, to ensure SBVA's continued ability to produce Records for known investigations or litigation.

If SBVA uses an outside vendor for storage and/or destruction of Records, after approval for destruction, the Records storage vendor shall shred or otherwise destroy the noted Records and provide a certificate of destruction in accordance with this Policy.

Destruction of electronic Records shall utilize a method to ensure the electronic Records are completely destroyed and not retrievable from any storage media.

Section 5. The Board shall meet periodically to review and, if necessary, update this Policy to comport with changed business practices and systems and new or amended laws or regulations. Any changes to this Policy must be approved in writing by SBVA's Board. Changes will be distributed to relevant SBVA personnel.

Section 6. Failure to comply with this Policy may result in disciplinary action, up to and including termination of employment, volunteer, or board member status.

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Adopted by the Board of Directors at its Meeting on Apr. 5, 2014

RECORDS MANAGEMENT AND RETENTION POLICY

SCHEDULE 1: RETENTION SCHEDULE

ARTICLE I. INTRODUCTION

In accordance with SBVA's Records Management and Retention Policy ("Policy"), this Schedule 1 ("Retention Schedule") sets forth retention periods applicable to Records held by SBVA's current and future offices and locations. To the extent that a Record is included in more than one category, the longer retention period shall apply. Records which are (i) not identified in the Retention Schedule, (ii) no longer needed for SBVA business or operations and (iii) not subject to a Legal Hold, should be promptly destroyed.

ARTICLE II. DEFINITIONS

Section 1. Active / Inactive Records. Records may be classified as either "Active" or "Inactive" Records.

- (a) "Active Records" are Records that are regularly referenced or required for current uses. A Record is considered Active if it meets at least one of the following criteria:
 - (1) There is a regulatory or statutory requirement to keep a Record;
 - (2) It would be advantageous to SBVA to be able to access a Record quickly;
 - (3) A Record will be needed for reference at a specific time in the future; or
 - (4) The custodian of the Record makes the determination that a Record may be retained as an Active Record.
- (b) "Inactive Records" are those Records that are no longer needed for current business. Inactive Records are those Records that need not be readily available but still must be retained for legal, fiscal, operational or historical purposes. Inactive Records may be archived at a remote location(s).

Section 2. "C + x": Refers to a retention period, in which "C" refers to the year of the Record's creation or acquisition, and "x" refers to the number of additional years the Record is to be kept after its creation or receipt. For example, a retention period indicated as *C + 3 years* means that a Record is to be kept for three years after the year of creation or acquisition.

Section 3. "A + x": Refers to a retention period, in which "A" refers to the year the Record's Active period expires (or when the Record becomes Inactive), and "x" refers to the number of additional years the Record is to be kept after the expiration of its Active period. For

example, a retention period indicated as *A + 3 years* means that a Record is to be kept for three years after the year the Active period expires (i.e., three years after the Record becomes Inactive).

ARTICLE III. EXCEPTIONS

Section 1. Legal Hold. All Records required to be retained due to pending or threatened litigation or investigation shall be retained for so long as the litigation or investigation is active. (See Article V of the Policy, “Legal Hold”).

Section 2. Contractual Requirements. To the extent that contractual records retention requirements exceed the retention periods in this Retention Schedule or specify the retention of Records not listed in the Retention Schedule, the contractual requirements will control. No originals of Records related to open contracts and subject to contractual retention requirements may be destroyed without the approval of SBVA’s **[insert title of the individual responsible for overall administration of the Policy]**, who will consult with other SBVA management personnel, as necessary.

ARTICLE IV. RETENTION SCHEDULE

*[Important note: This template Retention Schedule shows various categories of documents that may be applicable to SBVA. The Retention Schedule **should not be used as-is**, but must be modified to (a) meet legal, regulatory and business retention requirements of SBVA, and (b) reflect specific records categories and descriptions applicable to SBVA.]*

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
PROGRAM OPERATIONS			
Purchasing / Procurement Contracts	Contracts evidencing or relating to SBVA’s purchasing of goods and services, and fulfillment of customer orders	A + 10 years	Business Reasons; Statute of Limitations
Purchasing / Procurement Records Other than Contracts	Records other than contracts evidencing SBVA’s purchasing of goods and services (e.g., purchase orders; vendor invoices, delivery receipts, transfer requests, receiving documents)	C + 10 years	Business Reasons; Statute of Limitations
Inventory Management	Records relating to inventory (e.g., inventory counts, back orders, returns, pick investigation forms, freight outbound and inbound)	C + 7 years	26 CFR 301.6501 (IRS) (6 years)
Shipping (non-contracts)	Records (not including contracts)	C + 3 years	Business Reasons

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	relating to shipping services used by SBVA (e.g., invoices, shipping records, etc., regarding Standard, Roadway, Yellow Freight, Fed Ex, UPS, etc.)		
ACCOUNTING AND FINANCE			
Bank Records	Records relating to SBVA's ordinary banking activities (e.g., bank statements, bank reconciliations, bank deposits, cancelled checks, check listings / ledgers / registers, petty cash, wire transfers, electronic payment records, etc.)	C + 7 years	26 CFR 301.6501 (IRS) (6 years)
Financial Statements	Periodic Financial Statements (e.g., periodic audited and un-audited financial statements, including balance sheets, income statements and profit and loss statements, general ledgers, audit work papers)	Annual – Permanent Others – C + 7 years	Business Reasons; Statute of Limitations
Financial Planning	Records relating to financial planning and budgeting (e.g., financial forecasts, pro forma financial statements, budgets, business plans, etc.)	A + 3 years	Business Reasons
Accounting	Records relating to SBVA's current accounting functions (e.g., accounts payable invoices; accounts payable and receivable ledgers; general ledgers; charge offs; uncollectible accounts; travel, entertainment and expense reports, chart of accounts, trial balance, cost accounting, journals, etc.)	A + 7 years	26 CFR 301.6501 (IRS) (6 years)
Taxes	Records relating to income and other taxes paid by SBVA (e.g., work papers, returns, schedules, IRS forms, correspondence, IRS audit reports, internal audit work papers, depreciation schedules, etc.)	A + 7 years (A = when return filed)	26 CFR 301.6501 (IRS) (6 years); 18 Cal. Code Reg. § 4901(i) (4 years)
Loans / Financing	Records relating to SBVA loans (e.g., bank loan documents and records, bond documents, etc.)	A + 10 years (A = Until loan paid in full)	Business Reasons; Statute of Limitations
CORPORATE RECORDS / GENERAL OPERATIONS			

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
Organizational / Corporate Governance Documents	Records relating to the formation, organization and governance of SBVA (e.g., Articles of InSBVA; Bylaws; Minutes of Board meetings; Minutes and reports of Board Committee meetings; Minutes of Member meetings; Organizational charts of affiliates and management personnel; Annual Member Reports; Resolutions / Records of Action taken by Members without Meeting)	Permanent	Business Reasons; Statute of Limitations; Cal. Corp. Code §§ 6320
General Corporate Operations	Records relating to general operations of SBVA. (e.g., Qualification to do business; Corporate spending and authority matrices and delegations of authority; Written communications from the Chairman, President, CEO or SBVA to all or a group of members (if any); Contact information for officers and directors; Bi-Annual Statement of Information to Secretary of State; Annual Registration Form RRF-1 filed with Attorney General, Disaster Recovery, Business Continuation and Emergency Plans; Licenses and Certificates – Federal, State, Local)	A + 7 years	Business Reasons; Statute of Limitations
Contracts - General / Miscellaneous	All Agreements and Contracts not otherwise addressed in another category of this Retention Schedule (including letters, emails, etc. that constitute all or part of an agreement or which are important clarifications of an agreement)	A + 10 years	Business Reasons; Statute of Limitations
Corporate Policies	SBVA's written policies (e.g., Records Management and Retention, Acceptable Use of Technology, Email Disaster Recovery / Business Continuation, Emergency, IT Security, and Risk Management Plans)	A + 7 years	Business Reasons; Statute of Limitations
Mergers & Acquisitions (Excluding Agreements)	Records relating to mergers, acquisitions, divestitures (e.g.,	A + 7 years	Business Reasons; Statute of Limitations

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	letters of intent, correspondence, due diligence, etc.)		
Agreements	Agreements and contracts relating to structure of SBVA (e.g., mergers and acquisitions, divestitures, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Insurance Policies	Insurance policies insuring SBVA / Employees (e.g., Commercial general liability, other liability, professional errors & omissions, property damage / hazard, workers compensation, etc.)	A + 10 years	Business Reasons; Statute of Limitations
HUMAN RESOURCES / PERSONNEL			
Benefit Plans	Records evidencing or relating to employee benefits provided by SBVA (e.g., health insurance plans, disability plans, defined benefit / contribution plans, retirement plans, pension plans; records of committee or fiduciary meetings; benefit statements and information; funding reports; disbursements; investment performance and earning reports; reports filed with Federal and State Agencies; etc.)	A + 7 years	29 USC §§ 1027, 1113, 1451 (ERISA) (6 years); 29 USC § 1059 (ERISA)
Trust, Fiduciary, Provider and Third-Party Administration Agreements	Contracts or Agreement with third party administrators involved in servicing Employee Benefit Plans	A + 10 years	Business Reasons; Statute of Limitations
Travel & Expense Reports	Reports of employee travel and expenses	C + 3 years	Business Reasons; Statute of Limitations
Employment Applications / Pre-Employment	Records relating to employment applications and other pre-employment activities (e.g., general job applications, resumes, employment advertising and solicitations, etc.). See Employee Personnel Files below for employee specific records.	C + 3 years	29 CFR 1627.3 (ADEA) (3 years); 29 CFR 1602.14 (CRA) (3 years); Cal. Gov't. Code § 12496 (2 years)
Payroll Records	Records relating to payroll and compensation to employees (e.g., employee payroll and compensation records including records with employee name, social security number, hours worked,	C + 4 years	26 CFR 31.6001-1 (IRS) (4 years); 29 CFR 1627.3 (ADEA) (3 years); Cal. Lab. Code §§ 1174(d),

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	compensation rate, deductions, total pay for pay period, etc.)		1197.5(d) (2 years)
Employment Actions Generally (Excluding Personnel File)	Records relating to actions taken by SBVA concerning employment actions generally (not including specific employee records maintained in the personnel file) (e.g., hiring, promotions, demotions, transfers, selection for training, disciplinary actions, layoffs, reductions in force, recalls, or other related employee actions). See Employee Personnel Files below for employee specific records.	C + 7 years	29 CFR 1627.3 (ADEA) (3 years); 29 CFR 1602.14 (CRA) (3 years); Statute of Limitations
Employee Personnel Files EXCLUDING Medical Records	Records maintained in an employee's personnel file (e.g., records relating to hiring, employment and termination, such as resumes, applications and related materials, employment offers, employment contracts, promotion, demotion, change of status, transfer, salary, separation, employment eligibility, I-9 forms, letters of recognition and/or commendation, disciplinary records, etc., excluding medical records)	Duration of employment + 7 years	Business Reasons; Statute of Limitations; 29 CFR 1627.3 (ADEA) (3 years); Personnel Action Records – 1 year from when personnel action taken – 29 CFR 1627.3 (ADEA); 1 year from when personnel action taken or when record made, whichever is later 29 CFR 1602.14 (CRA)
Employee Medical Records	Records relating to employee's health condition and medical treatments (e.g., Workers' Compensation, Family and Medical Leave Act, the Americans with Disabilities Act, employment accommodations, leave of absence documents pertaining to an ADA accommodation, employment immunizations, drug screen information, etc.) <u>Medical records</u> to be stored separately in confidential and secure location.	Duration of employment + 30 years. (Except if employment < 1 year – records can be provided to employee)	29 CFR 1910.1020 (OSHA); 29 CFR 825.500; 29 CFR 1630.14(c)(1)
Employee Exposure to Toxic or Hazardous Materials	Records describing exposure to toxic or hazardous materials , including the identity of the substance to which the employees were exposed plus information related to the methods used to	Duration of employment + 30 years. (Except if employment < 1 year – records	29 CFR 1910.1020 (OSHA); 29 CFR 825.500; 29 CFR 1630.14(c)(1)

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	determine the actual exposure; the identity of employees exposed; detailed environmental monitoring records and material safety sheets can be destroyed at an earlier period provided that adequate summary records are maintained. <u>Medical records</u> to be stored separately in confidential and secure location.	can be provided to employee)	
Employee Injury and Illness Logs	OSHA Logs of Work Related Injuries and Illnesses and other logs, summaries and reports describing recordable cases of injury and illness, including the extent and severity of each case, and total injuries and illnesses. <u>Medical records</u> to be stored separately in confidential and secure location.	5 years following end of calendar year that the forms cover	29 CFR 1904.33 (OSHA); 29 CFR 825.500; 29 CFR 1630.14(c)(1)
Employment and Contractor Agreements	Agreements and contracts with employees, independent contractors, consultants, etc. (e.g., employment, change of control, non-compete, non-disclosure, temporary labor, etc.)	A + 10 years	Business Reasons; Statute of Limitations
HR Related Agreements	Agreements and contracts with third parties providing human relations / employment related products or services. (e.g., recruiting / headhunter agreements, payroll companies, employee leasing, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Employee Pension and Benefit Plans Excluding Agreements	Plans and records relating to employee pension, retirement and benefit plans (e.g., benefit, retirement, ERISA, and pension plans, and records relating to administration thereof)	C + 7 years	29 USC §§ 1027, 1113, 1451 (ERISA) (6 years); 29 USC § 1059 (ERISA)
Employee Pension and Benefit Plans Agreements	Agreements relating to employee pension, retirement and benefit plans (e.g., contracts and agreement with plan administrators, fiduciaries, investment advisors, service providers, etc.)	A + 10 years	Statute of Limitations; 29 USC §§ 1027, 1113, 1451 (ERISA) (6 years); 29 USC § 1059 (ERISA)
LEGAL			
Litigation Files	Files relating to litigation	A + 10 years	Business Reasons;

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	involving SBVA (e.g., investigations, pleadings, correspondence, research, invoices, settlement agreements, etc.)		Statute of Limitations
Claims (Litigation Not Filed)	Claims, threats, demand letters, etc. where litigation not filed	7 years after last correspondence or contact with claimant	Business Reasons; Statute of Limitations
Agreements	Contracts and agreements retained in the Legal Department	A + 10 years	Business Reasons; Statute of Limitations
Intellectual Property	Records relating to intellectual property of SBVA (e.g., copyright, trademark and patent applications and registrations, and related correspondence; license agreements)	Life of the intellectual property + 7 years	Business Reasons; Statute of Limitations
Government Filings subject to False Claims Act	Records relating to filings with US Government that could result in claims under the False Claims Act (e.g., requests for payment under government contracts or grants, etc.)	A + 10 years	31 USC 3731(b)
FUNDRAISING MATERIALS / DEVELOPMENT DEPARTMENT RECORDS			
Advertising, Marketing and Public Relations Agreements	Contracts and agreement for advertising, marketing and public relations products and services (e.g., agreement with marketing and advertising firms, advertising contracts, directory advertising agreements, zip code coverage agreements, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Advertising, Marketing and Public Relations Materials – Excluding Agreements	Materials (excluding contracts) relating to SBVA’s advertising, marketing and public relations activities (e.g., advertisements, marketing collateral, catalogs, brochures, advertising copy, marketing programs, mailing lists, speeches and presentations, product literature, etc.)	A + 7 years	Business Reasons; Statute of Limitations
FACILITIES MANAGEMENT			
Furniture, Fixtures and Equipment (Excluding Contracts)	Records relating to SBVA’s furniture, fixtures and equipments (e.g., asset lists, inventory lists, replacement	C + 7 years	26 CFR 301.6501 (IRS) (6 years)

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
	schedules, maintenance and repairs, IT infrastructure and architecture, telephone installation, fixed asset purchases, etc.)		
Furniture, Fixtures and Equipment – Contracts	Contracts and agreements relating to SBVA’s furniture, fixtures and equipments (e.g., purchase, leasing and acquisition contracts; repair and maintenance contracts; warranty contracts; computer hardware and software licenses, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Information Technology	Records relating to SBVA’s information technology systems (e.g., software licenses; equipment purchase agreements; support, maintenance and warranty agreements; software inventories and audits; equipment inventories; IT policies, etc.)	A + 7 years	Business Reasons; Statute of Limitations
Property Tax Records	Records relating to real estate and personal property taxes paid by SBVA	A + 7 years	Business Reasons; Statute of Limitations
Property Acquisition / Ownership	Records relating to acquisition and ownership of property (e.g., deeds, leases, mortgages, construction, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Agreements	Contracts and agreements relating to operation and management of facilities (e.g., property/facilities management agreements, repair/maintenance contracts, janitorial, landscaping, etc.)	A + 10 years	Business Reasons; Statute of Limitations
Hazardous/Environmental Contamination Removal	Records regarding remediation / removal of environmentally contaminated or hazardous materials	A + 30 years	29 CFR 1910.1020 (OSHA)
Hazardous / Environmental - Other	Logs and other records regarding general compliance with OSHA and other environmental laws	C + 5 years	Statute of Limitations; 3 years under Emergency Planning & Community Right-to-Know Act, Toxic Substances Control Act, Resource Conservation & Recovery Act, but advisable to keep longer due to potential liability concerns;

FUNCTION	DESCRIPTION	RETENTION PERIOD	REFERENCE
			29 CFR 1904.33 (OSHA)
Certificates of Occupancy/Building Permits	Certificates of Occupancy / Building Permits	A + 7 years	Business Reasons; Statute of Limitations
SALES			
Sales Agreements	Contracts and agreements relating to the sale of SBVA products and services	A + 10 years	Business Reasons; Statute of Limitations
Sales Records	Records documenting sales of SBVA products and services (e.g., invoices, receipts, credit card receipts, SKU details, etc.)	C + 3 years	Business Reasons; Statute of Limitations

APPENDIX A: LEGAL HOLD NOTIFICATION

DATE:

TO:

CC:

FROM:

LEGAL HOLD

IN ACCORDANCE WITH **SBVA**'s RECORDS MANAGEMENT AND RETENTION POLICY, YOU ARE HEREBY NOTIFIED TO LOCATE AND PROTECT ALL RECORDS PERTAINING TO THE FOLLOWING SUBJECT MATTER:

A LEGAL HOLD HAS BEEN PLACED ON RECORDS PERTAINING TO THE SUBJECT MATTER DESCRIBED ABOVE. YOU ARE REQUIRED TO LOCATE AND PROTECT THE NECESSARY RECORDS FOR WHICH YOU ARE RESPONSIBLE. ANY RECORD (INCLUDING BUT NOT LIMITED TO HARD COPY ORIGINAL, PHOTOCOPY, FACSIMILE, MICROFILM, MICROFICHE, E-MAIL, ELECTRONIC FILE, COMPUTERIZED IMAGE) THAT IS RELEVANT TO THIS LEGAL HOLD MUST BE PRESERVED. IF YOU ARE UNSURE WHETHER A RECORD IS RELEVANT TO A LEGAL HOLD, YOU SHOULD PROTECT THAT RECORD UNTIL YOU HAVE RECEIVED CLARIFICATION FROM YOUR SUPERVISOR.

FAILURE TO COMPLY WITH A LEGAL HOLD WILL RESULT IN DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION. IN ADDITION, FAILURE TO COMPLY WITH THIS LEGAL HOLD MAY RESULT IN FINES, DAMAGES, LIABILITY AND/OR COURT-ORDERED SANCTIONS IMPOSED AGAINST SBVA.

CONTACT THE FOLLOWING PERSON IF YOU HAVE ANY RECORDS SUBJECT TO THIS LEGAL HOLD BY PHONE OR BY E-MAIL:

Name: _____ Phone: _____ E-Mail: _____

CONTACT THE FOLLOWING PERSON SHOULD YOU BECOME AWARE OF ANY FAILURE TO COMPLY WITH SBVA'S RECORD MANAGEMENT AND RETENTION POLICY OR ANY LEGAL HOLD:

Name: _____ Phone: _____ E-Mail: _____

THIS LEGAL HOLD REMAINS EFFECTIVE UNTIL SBVA'S LEGAL COUNSEL RELEASES IT IN WRITING. AFTER YOU RECEIVE WRITTEN NOTICE OF RELEASE, YOU MAY RETURN ALL RECORDS SUBJECT TO THIS LEGAL HOLD TO THEIR NORMAL RETENTION PROCEDURES.

CONTACT THE FOLLOWING PERSON FOR QUESTIONS REGARDING THIS MEMO.

Name: _____ Phone: _____ E-Mail: _____

APPENDIX B: LEGAL HOLD RELEASE

DATE:

TO:

CC:

FROM:

LEGAL HOLD RELEASE

IN ACCORDANCE WITH SBVA'S RECORDS MANAGEMENT AND RETENTION POLICY, YOU ARE HEREBY NOTIFIED THAT THE LEGAL HOLD PERTAINING TO THE FOLLOWING SUBJECT MATTER:

IS RELEASED. PLEASE RETURN ALL RECORDS RELEVANT TO THE LEGAL HOLD TO THEIR NORMAL RETENTION PROCEDURES.

CONTACT THE FOLLOWING PERSON FOR QUESTIONS REGARDING THIS MEMO:

Name: _____ Phone: _____ E-Mail: _____

APPENDIX C: ELECTRONIC COMMUNICATIONS POLICY

STINSON BEACH VILLAGE ASSOCIATION

A California Nonprofit Public Benefit SBVA

ARTICLE I. GENERAL GUIDELINES

Section 1. Purpose / Scope. The purpose of this Electronic Communications Policy (“Policy”) is to ensure the proper use of SBVA’s e-mail system and make employees, contractors, volunteers and other users (“Users”) aware of what SBVA deems as acceptable and unacceptable use of its e-mail system or using other permitted e-mail or electronic communications systems for conducting SBVA business. SBVA reserves the right to amend this Policy at its discretion. In case of amendments, Users will be informed appropriately. This Policy applies to e-mail, instant messages, text messages, PIN messages, chat and other electronic communications (collectively referred to as “e-mail”) used within SBVA and for SBVA business, and does not supersede any state or federal laws, or any other SBVA policies regarding confidentiality, information dissemination, and standards of conduct.

Section 2. Legal Risks. E-mail is a business communication tool and Users are obliged to use this tool in a responsible, effective and lawful manner. Although by its nature e-mail seems to be less formal than other written communication, the same laws apply. Therefore, it is important that Users are aware of the legal risks of e-mail. For example, if you send e-mails with any libelous, defamatory, offensive, racist or obscene remarks, you and SBVA can be held liable. If you forward confidential information of SBVA without authorization, SBVA can suffer significant losses, and you and SBVA can be held liable for violating third party confidentiality rights. Sending e-mails with casual or informal language that can be taken out of context can be damaging to SBVA in the event of a lawsuit relating to the subject matter of e-mail. Accordingly, it is important for all Users to understand that the careless or improper use of e-mails can result in significant losses to SBVA, and potential liability of SBVA and the User.

Section 3. Ownership. SBVA’s e-mail system is the sole and exclusive property of SBVA. Any User files, e-mail, and other information stored on the e-mail are the property of SBVA.

ARTICLE II. AUTHORIZED USE / RESTRICTIONS

Section 1. Authorized Use. You are authorized to use SBVA’s e-mail system to lawfully conduct business for SBVA in accordance with this Policy, and the other policies and rules of SBVA. SBVA’s e-mail system constitutes a valuable business asset of SBVA and may only be used for approved purposes. Users are permitted access to the e-mail system to assist them in the performance of their jobs.

Section 2. Personal Use. Occasional, limited, appropriate personal use of e-mail is permitted when the use does not: (i) interfere with the User's work performance; (ii) interfere with any other User's work performance; (iii) unduly impact the operation of the e-mail system; (iv) result in any material expense to SBVA; (v) violate any law or regulation of any jurisdiction; or (vi) violate any other provision of this Policy or any other policy, guideline, or standard of SBVA. Personal use of e-mail is a privilege, not a right. Abuse of the privilege may result in appropriate disciplinary action. Users need to keep in mind that all e-mail is recorded and stored along with the source and destination. In accordance with Article IV, management of SBVA has the ability and right to view Users' e-mail.

Section 3. Inappropriate or Unlawful Material. Material that is fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful or inappropriate, including any comments that would offend someone on the basis of race, age, sex, sexual orientation, religion, political beliefs, national origin, veteran status, or disability, must not be sent by e-mail or other form of electronic communication. Users encountering or receiving such material must immediately report the incident to their supervisor or other responsible manager.

Section 4. Non-SBVA Business. Users may not use the e-mail system for personal financial gain or the benefit of any third party (including the sale of any non-SBVA products or services), or to solicit others for activities unrelated to SBVA's business or sponsored activities, or in violation of SBVA policies and applicable laws relating to political activity or lobbying. The e-mail system may also not be used to create, store, or distribute any form of malicious software (e.g., viruses, worms, or other destructive code).

Section 5. Waste of E-mail. Users may not deliberately perform acts that waste e-mail or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to, sending non-business related mass e-mailings or chain e-mail, subscribing to a non-business related electronic mailing list, excessive use of e-mail for non-business related activities (e.g., personal purposes, playing games, engaging in non-business related online "chat groups"), or otherwise creating unnecessary network traffic.

Section 6. Large File Transfers. Audio, video, and picture files require significant storage space and may not be e-mailed, received or stored on the e-mail system unreasonably, unless they are business related.

ARTICLE III. PROPER USE OF E-MAIL

Section 1. In General. All User e-mail addresses assigned by SBVA shall remain the sole and exclusive property of SBVA. Users should endeavor to make each of their electronic communications truthful, accurate, and consistent with the qualities of good business

communications. Always allow time to reflect before composing and sending a message. The following guidelines should be followed in drafting e-mail:

- (a) Avoid using all capitals;
- (b) Avoid excessive use of bold faced type;
- (c) Only mark truly high priority items as “Priority”;
- (d) Avoid copying unnecessary parties with the “Reply All” feature, particularly when individuals outside SBVA are addressees;
- (e) Make the subject line for your e-mail descriptive;
- (f) Avoid using graphic backgrounds for your e-mail and ornate type fonts. These will make your e-mail less readable and will require far greater company resources to store and transmit than ordinary e-mail; and
- (g) Do not send messages to all users or other large groups within SBVA unless business related and a compelling business reason exists.

Section 2. Assume Public Disclosure Possible. Because e-mail can be inadvertently sent to wrong or unintended recipients, intercepted, obtained by third parties in litigation, and obtained by the government in investigations, before sending every e-mail ask yourself if you would be comfortable seeing the e-mail on the front page of USA Today. If not, you should probably reword the e-mail or communicate in a different manner, such as verbally.

Section 3. Altering Attribution Information. Users may not alter the “From” line or other attribution of origin information in e-mail or other online postings. Anonymous or electronic communications sent using fictitious names are forbidden. However, a User may specifically grant another User the right to send e-mails on behalf of the grantor (e.g., a manager authorizing her assistant to send an e-mail on her behalf).

Section 4. Forwarding E-mail. Users should use their good judgment in forwarding e-mail to any other person or entity. When in doubt, request the sender’s permission before forwarding the message. E-mail containing confidential information or attorney-client communications may never be forwarded without the permission of the sender or other authorized personnel. All messages written by others should be forwarded “as-is” and with no changes, except to the extent that the changes are clearly indicated in the original text (e.g., by using brackets [] or different formatting to indicate changes to the text).

Section 5. Confidential Information / Attorney-Client Communications. Each User must take all appropriate precautions to insure that confidential information is not improperly disclosed or otherwise compromised. If confidential information is transmitted via e-mail, the sender of the message is responsible for (i) ensuring the message is clearly labeled in the subject line and the body of the message as “Confidential,” “Proprietary,” “Confidential: Unauthorized Use or Disclosure is Strictly Prohibited” or “Privileged Attorney-Client Communication” for communications to or from in-house or outside counsel for SBVA, (ii) keeping the number of

recipients to a minimum, (iii) ensuring all recipients are aware of the obligation to maintain the confidentiality of the information contained in the message, and (iv) assuring that the transmission of information is in accordance with this Policy and applicable law. E-mail containing attorney-client communications may never be forwarded without the permission of the sender or other authorized personnel.

Section 6. Receipt of Unsolicited, Unintentional, or Misdirected Confidential Information. In the event a User receives an e-mail, whether designated as confidential or not, by mistake, the User should stop reading the message and immediately notify the sender or system administrator. It is a violation of this Policy to read e-mail intended for another person without the express prior consent of that person or other authorized SBVA personnel.

Section 7. Electronic Mailing List Subscriptions. Users should be selective in subscribing to electronic mailing lists, listserves and other e-mail distribution lists. Some discussion groups are very active and may result in dozens of e-mail every day. Promptly unsubscribe to any electronic mailing lists that are not actively being read. When subscribing to an electronic mailing list, make sure to keep a record of the steps necessary to cancel the subscription. This information is usually contained in an initial message from the electronic mailing list, but may not be easily located later.

Section 8. Access to E-mail Through Third Party Services. Users must be authorized by an appropriate SBVA manager to use a pager, PDA, home computer, web mail, or a third party service to access their SBVA e-mail and all copies of the e-mail must be deleted from the non-SBVA system at the earliest possible date, not to exceed fourteen days from the date of receipt of the message. The transmission of a User's business related e-mail to a third party e-mail service provider or account maintained by User must be infrequent, irregular, and temporary and must be done to accomplish a specific business purpose. Users may not use alternate, non-SBVA provided or authorized e-mail addresses to directly receive business related e-mail.

Section 9. Retention and Destruction of E-mail. Users may not use their e-mail account as a long-term repository for records. Users should not store e-mail on the individual hard disks of their workstations or make backup copies of the e-mail independent from those created and maintained by SBVA. Each User is responsible for ensuring that their use of e-mail is consistent with this Policy and SBVA's Records Management and Retention Policy. If a permanent or lasting record is required of any e-mail, the User shall print the e-mail and retain it in accordance with SBVA's Records Management and Retention Policy. E-mail maintained by a User in violation of this Policy or SBVA's Records Management and Retention Policy may be automatically deleted by authorized personnel without advance warning. Users may not circumvent storage prohibitions by sending, forwarding, or copying any e-mail or related documents to themselves or others for the purpose of evading this requirement.

ARTICLE IV. NO EXPECTATION OF PRIVACY

Users understand and agree that Users have no expectation or right of privacy of any kind related to their use of SBVA's e-mail system. Users expressly consent to the access, monitoring, and recording of their use of e-mail, and waive any right of privacy or similar right in their use of e-mail. SBVA retains the right, with or without cause or notice to the User, to access and monitor User e-mail. Anything created or stored in the e-mail system may be reviewed by others and deleted files may be recovered. Without limiting the foregoing, SBVA may record and access any use of e-mail (i) to measure and set standards for performance of the User's duties; (ii) to monitor the User's compliance with applicable laws and this Policy; (iii) to determine whether specific communications are business or personal communications; and (iv) for any other purpose related to SBVA's business operations.

ARTICLE V. DELETION AND RETENTION OF E-MAILS

Section 1. It is advisable to delete all SBVA-related after 30 days, or in the case of pending matters within 30 days of their resolution.

Section 2. Each User must determine if an e-mail should be retained under SBVA's Records Management and Retention Policy in a manner to ensure e-mails are not automatically deleted as describe above. SBVA's approved Retention Schedule, attached to the Records Management and Retention Policy, identifies categories and types of records to be retained and the retention period for each category. It is the content and function of an e-mail message that determines the retention period for that message. All e-mail sent or received by a SBVA employee or volunteer in the scope or course of SBVA business is considered a SBVA record. Therefore, all e-mail messages must be retained or disposed of according to SBVA's Retention Schedule.

Section 3. It is the responsibility of the User of the e-mail system, with guidance and training from SBVA's employee responsible for records management, to manage e-mail messages according to SBVA's Retention Schedule. It is the responsibility of the sender of e-mail messages within SBVA's e-mail system and recipients of messages from outside SBVA to retain the messages for the approved retention period. Names of sender, recipient, date/time of the message, as well as any attachments must be retained with the message. The preferred method for retaining e-mails is through the use of Personal Folders using SBVA's Microsoft Outlook application (see instructions below or contact the Information Technology Department for assistance). Printing and appropriate filing of e-mails is also permitted, but not encouraged due to the loss of ability for electronic searching.

Section 4. E-mails stored electronically should only be stored in Outlook Personal Folders on SBVA's Board members' servers, and not on computer hard drives, local drives, CD-ROMs, floppy disks, flash drives, thumb drives or other removable media.

Section 5. Personal Folders using Outlook can be created as follows: Open Outlook

- (a) Click on “Tools”
- (b) Click on “Services”
- (c) Click on the “Add” button
- (d) Click the bottom line in the text box that says “Personal Folders”
- (e) This box allows you to designate the drive and folder you want your e-mail to go to. It will default to the Outlook folder. You might want to direct it instead to a folder on SBVA’s server you have created. Once you designate the folder (at the top of the text box), then name the file that your e-mails will reside in and click “OK” or “Apply” whichever is listed.
- (f) Now your personal file should appear on the left-hand column of your Outlook screen. You can add subdirectories to this (just like you would with the “Inbox”).

Section 6. Each User must comply with the legal hold requirements of SBVA’s Records Management and Retention Policy for retention of records, including e-mails, in the event of pending, threatened or reasonably foreseeable claims, litigation or investigations. Users must also fully cooperate with supervisors or SBVA management in responding to legal and SBVA requests for e-mails which are or may be relevant to a claim, litigation or investigation.

ARTICLE VI. THIRD PARTY E-MAIL PROVIDERS

Unless expressly authorized by an appropriate supervisor or manager, you should not use third party e-mail providers such as your home or personal e-mail account or web-based e-mail providers (such as Yahoo and Google) for sending or receiving e-mails pertaining to SBVA business.

ARTICLE VII. VIOLATIONS

A violation of this Policy may result in disciplinary action, up to and including termination of employment, as well as potential civil and criminal liability. You agree to assist SBVA in investigating any potential or actual violations of this Policy.

APPENDIX D: REMOVAL FROM STORAGE RECORD

Description of Record(s):

Identification of Box or Receptacle:

Person Removing Record

Name:
Department:
Location:
Telephone No:

Purpose for Removal:

Record is Confidential: _____ No _____ Yes

(If yes, describe method of determining clearance and authorization)

Date Removed:

Date of Scheduled Return:

Date of Actual Return:

Signature of Personnel Removing Record

Signature of Custodian

Printed

Printed

Date

Date