

Policy #3

Policy and Procedure for Document Disposal

Purpose: To adopt a Document Disposal Policy to establish guidelines for identifying and disposing of the Association documents.

Resolution:

1. Documents are to be retained for the period of their immediate use unless longer retention is required for historical reference, contractual or legal requirements, or for the other purposes as set forth in this Policy.
2. Documents that are no longer required, or have satisfied their recommended period of retention, are to be destroyed in an appropriate manner.
3. The Managing Agent is responsible for ensuring that documents within their area of assigned responsibility are identified and subsequently disposed of in accordance with the guidelines set forth in this Policy.

Compliance: This Document Disposal Policy is not intended to be all inclusive and accordingly must be tailored to meet the specific needs of the Association.

1. The Association does not require Board Members to maintain any documents. Board Members, in their discretion, may dispose of documents generated by the Association because the Association has maintained such documents in the Official Files. However if Board Members receive documents relating to the Association, which were not generated by the Association, or not received through the Association, Board Members shall send the originals of such Documents to the Managing Agent to be maintained in the Official Files. Board Member documents created for their own use as a member of the Board of Directors, including but not limited to notes, drafts, emails, summaries, etc., are not official documents of the Association and should be destroyed by the Board Member. No Board Member shall disclose or provide any Documents to any Owner

outside of the Board of Directors. Directors shall advise Owners to make a formal written request to the Association pursuant to its Inspection of Records policy.

2. Annual Purge of Files: The Association Manager shall conduct an annual purge of files.
3. Disposal Procedure: All Documents to be purged or destroyed pursuant to this Document Disposal Policy shall be shredded or permanently deleted.
4. Onset of Litigation: At such time as the Board or the Association has been served with a lawsuit, or if it is reasonably foreseeable that litigation may be imminent, all documents potentially relevant to the dispute must be preserved notwithstanding anything in this policy to the contrary. Therefore, the Association's legal counsel will advise the Board Members, Association Managing Agent and any other person who may maintain Association Documents of the fact relating to litigation. Thereafter, all Documents potentially relevant to the dispute shall be "held" until such litigation is concluded and all appeal periods have expired. At the conclusion of the litigation, the "hold" period will cease and the time periods provided in the Document Disposal Policy will recommence.

Definitions

1. Documents: Any documentary material that is generated or received by the Association in connection with transacting business related to the Association's legal obligations and is retained for any period of time.
2. Official Files: The files maintained by the Managing Agent for the Association.

Document Disposal Guidelines

The Association's Documents are grouped into six functional categories as set forth below. Although every conceivable Document is not listed, the following list should indicate to which subcategory a particular Document relates.

Accounting and Financial Records	Retention Time
Audit Reports	Permanent
Financial Statements including but not limited to: Accounts Receivable, Accounts Payable, Receipts, Invoices, Bank Statements, Bank Reconciliation, Electronic Payments, Budgets, Federal and State Tax Returns	7 Years
Reserve Study	Retain Most Recent Study

Corporate Records	Retention Time
Governing Documents including: Bylaws, Articles of Incorporation, Declaration of Covenants, Policies, Guidelines, Rules & Regulations, Resolutions, Board, Committee or Owner Meeting Minutes, Records of actions of the Board of Directors, Committee Members or Owners without a Meeting (for example records of decisions made via email), Business Licenses, Correspondence from Legal Counsel, Proxies & Ballots for Document Amendments, Deeds, Easements and other Real Property Records.	Permanent
Contracts, Bids and Related Correspondence, Insurance Policies	Term or Warranty + 7 Years
Photographs	7 Years
Email Communication among Board Members directly relating to Association Business and resulting in a decision made by the Board outside of a meeting, Periodic Reports filed with the Secretary of State.	1 Year
Proxies & Ballots	1 Yr after Election/Action/Vote
Videotapes and audio tapes of Board Meetings	Until Minutes are Approved

Real Estate Records	Retention Time
Association Real Estate Purchases, Construction Records, Warranties, Defect Claims and Settlements to the extent available	Permanent

Owner Correspondence	Retention Time
A list of all Homeowners with current mailing addresses	Permanent
General Written Communication to all Owners (including meeting or other notices sent via email, fax or regular mail)	7 Years

Individual Owner Files	Retention Time
Architectural requests and Responses from the Association	Permanent
Individual Owners Correspondence including: Payment ledgers, covenant enforcement letters, violation letters, delinquency letter and any other correspondence between the Association and Owner	7 Years after Sale

Miscellaneous	Retention Time
Miscellaneous Documents not otherwise listed	At the Board's Discretion