

COTTONWOOD GREEN ASSOCIATION, INC.
POLICY REGARDING DOCUMENT RETENTION AND DESTRUCTION

The following policy and procedures have been adopted by Cottonwood Green Association, Inc. ("Association") at a regular meeting of the Board of Directors.

Purpose: To establish guidelines for identifying, retaining, storing, protecting and disposing of the Association's Documents (the "Documents"). This Document Retention and Destruction Policy is necessary to ensure that the Association conducts itself in a cost-effective manner while also adhering to legal and business requirements.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing Document Retention and Destruction of Association records.

SECTION 1 - Introduction

- 1.1 Scope. This Document Retention and Destruction Policy applies to the Cottonwood Green Association, Inc. (hereinafter the "Association") and the Association's Board of Directors. The documents maintained by the Association's legal counsel are not subject to this Document Retention and Destruction Policy.
- 1.2 Policy.
 - A. It is the Association's policy to maintain complete and accurate Documents. Documents are to be retained for the period of their immediate use unless retention is required for historical reference, contractual or legal requirements, or for other purposes as set forth in this Document Retention and Destruction Policy.
 - B. Documents that are no longer required or have satisfied their recommended period of retention are to be destroyed in Section 1.5.
 - C. The Association Secretary is responsible for ensuring that Documents within his or her area of assigned responsibility are identified, retained, stored, protected and subsequently disposed of, in accordance with the guidelines set forth in this Document Retention and Destruction Policy.
- 1.3 Compliance. This Document Retention and Destruction Policy is not intended to be all inclusive, and accordingly must be tailored to meet the specific needs of the Association. The retention periods set forth herein are guidelines based on the current retention periods set forth in federal, state, and local statutes and regulations (none of which explicitly address the Association), and industry custom practice.
- 1.4 Board Members. 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 Association Secretary to be maintained in the Official Files. Documents created by Board members for their own use as a member of the Board of Directors, including but not limited to notes, drafts, emails, summaries, etc. are not Documents of the Association and should be destroyed by the Board Member once an Association Document is produced or within six months of creation, whichever, is sooner, unless otherwise provided herein. Email discussions among Board members shall be copied to and saved by the Association's Secretary pursuant to this policy. No Board Member shall disclose or provide any Document to any owner outside of the Board of Directors. Directors shall direct Owners to make a formal request to the Association pursuant to its Inspection and Copying of Records Policy.
- 1.5 Destruction Procedure. All documents to be purged or destroyed pursuant to this Document retention and Destruction Policy shall be shredded, or permanently deleted electronically, if stored in an electronic format.

- 1.6 Annual Purge of Files. The Association Secretary shall conduct an annual purge of files. The annual purge of files shall be completed in the first quarter of each annual year.
- 1.7 Miscellaneous. There may be an immediate destruction of copies of any Document regardless of age, provided that an original is maintained in the Official Files of the Association.
- 1.8 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, at the discretion of legal counsel the Association Secretary will advise the Board Members, and any other person who may maintain Association Documents, of the facts relating to litigation. Thereafter, all Documents potentially relevant to the dispute shall be deemed “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 Retention and Destruction Policy will recommence.

SECTION 2 - Definitions

- 2.1 Current. Current means the calendar year in which the document was created, obtained or received.
- 2.2 Document. Document means any documentary material that is generated or received by the Association in connection with transacting its business, is related to the Association’s legal obligations, and is retained for any period of time. The term “Document” includes, among others, writings, drawings, graphs, charts, photographs, tape, disc, audio recordings, microforms, and other electronic documents from which information can be obtained or translated such as electronic mail, voice mail, floppy disks, hard disks and CD ROM. The Documents, as defined in this policy, may encompass more records than those that are available for inspection by Owners pursuant to the Association’s Inspection and Copying of Records Policy. Not all Documents may be records of the Association as that term is defined in the Inspection and Copying of Records Policy and Colorado law, and therefore may not be subject to inspection by Owners.
- 2.3 Official Files. “Official Files” means the files maintained by the Secretary of the Association. Legal documents and documents subject to the attorney-client privilege and the work product privilege maintained by the Association’s legal counsel are not part of the “Official Files” of the Association.
- 2.4 Permanent. The retention period for that Document is permanent.
- 2.5 Termination. “Term + 4 years” means four years beyond the termination of the relationship, contract or coverage.
- 2.6 Electronic Document. “Electronic Document” means the electronically-stored information including, but not limited to electronic mail and other electronic or digital files stored on discs, electronic or digital storage devices, computer drives and hand-held portable devices.

SECTION 3 - Document Retention and Destruction Guidelines

The Association’s Documents are grouped into eight 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. The retention periods identified with particular Documents are intended as guidelines. In particular circumstances, the Board of Directors has the discretion to determine that either a longer or shorter retention period is warranted.

3.1 <u>Accounting Records</u>	<u>Retention Period</u>
Accounts Payable	7 years
Accounts Receivable	7 years
Audit Reports	Permanent
Chart of Accounts	Permanent

Depreciation Schedules	Permanent
Expense Records	7 years
Financial Statements (Annual)	Permanent
Fixed Asset Purchases	Permanent
General Ledger	Permanent
Inventory Records	7 years
Loan Payment Schedule	7 years
Federal and State Tax Returns	Permanent
3.2 <u>Bank/Financial Records</u>	<u>Retention Period</u>
Bank Reconciliation	2 years
Bank Statements	7 years
Cancelled Checks	7 years
Cash Receipts and Cash Disbursement Journals	7 years
Correspondence	7 years
Deposit Tickets	7 years
Electronic Payment Records	7 years
Owners Ledgers	While owner owns property in community + 7 years
Audit Reports	Permanent
Budgets	1 year
Personal Property Tax Returns	Permanent
3.3 <u>Corporate Records</u>	<u>Retention Period</u>
Board Minutes	Permanent
Committee Minutes	Permanent
Member Meeting Minutes	Permanent
Bylaws, Articles and Declaration of Covenants, Conditions, Restrictions and Easements	Permanent
Rules and Regulations	Permanent
Policies and Guidelines	Permanent
Records of actions of the Board of Directors or Members without a Meeting (for example, Records of decisions made by the Board via email) or written consent in lieu of a meeting	Permanent
Email Communications among Board members directly related to and resulting in a decision made by the Board outside of a meeting	1 year
General email discussions among the Board which do not result in any decision being made outside of a meeting	6 months
Record of Waivers of Notices of Meetings of Members, Board of Directors or Committees	Permanent
Board Resolutions	Permanent
Business Licenses	Permanent
Contracts	Life+ 7 years or warranty period
Correspondence from Legal Counsel	Permanent
Non-legal correspondence	7 years
Insurance Policies	Life + 4 years
Bids, Proposals	7 years
Leases/Mortgages	Permanent
Homeowner Records	7 years
Vendor Invoices	7 years
Written Correspondence between Association and Vendors	7 years

Photographs	7 years
Periodic Reports Files with Secretary of State	1 year
Videotapes and audiotapes of Board Meetings	Until minutes approved
Proxies and Ballots (generally unless otherwise provided herein)	One year after the election, or vote to which they relate
Proxies and Ballots for Document Amendments	Permanent
Deeds, Easements and Other Real Property Records	Permanent
Reserve Studies	Permanent
3.4 <u>Employee Records, if any</u>	
Benefit Plans	Permanent
Personnel Files	7 years
Employment Applications	3 years
Employment Taxes	7 years
Payroll Records	7 years
Pension/Profit Sharing Plans	Permanent
3.5 <u>Real Estate Records.</u>	
Construction Records	Permanent
Warranties	Permanent
Leasehold Improvements	Permanent
Lease Payment Records	Life + 4 years
Real Estate Purchases	Permanent
3.6 <u>Individual Member Files</u>	
Correspondence to Members individually (not including enforcement letters)	<u>Retention Period</u> As long as Member owns + 4 years
Enforcement Letters (including covenant violation letters and delinquency letters)	As long as Member owns + 4 years
Owner Complaints (written)	As long as Member owns + 4 years
Architectural requests and any responses from the Association regarding requests	As long as Member owns + 4 years
3.7 <u>Owner Communications</u>	
Written communication to all owners generally including meeting or other notices sent via email, fax and regular mail	<u>Retention Period</u> 6 years
Any Correspondence between Association and Members not otherwise listed	As long as Member owns + 4 years
3.8 <u>Miscellaneous</u>	
Miscellaneous Documents (not otherwise listed herein)	<u>Retention Period</u> At Board's discretion

SECTION 4 - Electronic Documents

4.1 Storage of Official Files.

Under this Document Retention and Destruction Policy, the Association retains Documents for time periods that may exceed 15 or 20 years and possibly longer. That duration may exceed the reliable life span of computer networks, drives, computer software, hand-held devices, computer storage devices and related systems. Therefore, Electronic Documents to be retained as Official Files will be printed or converted to Adobe PDF and saved to a CD-R, DVD-R Disk or other storage device.

4.2 Electronic Documents that are not Official Files.

With respect to Electronic Documents that are not made a part of the Official Files, the Association shall retain and destroy them as follows.

A. Computer Drives: Electronic Documents may exist on various computer drives including personal computers, laptops and desktops. All Electronic Documents should be maintained on the Association's or secretary's computer and deleted as instructed or as part of the annual purge. As a measure to preserve privacy, Electronic Documents shall be deleted from computer drives being replaced before their disposal.

B. Emails: Emails are initially saved on the secretary's computer. Except for emails that are Official Files, emails will be regularly and automatically deleted every 90 days unless they are specifically saved, in which case they will be deleted when they are no longer being used and, in any event, as part of the annual purge.

C. Voice mails: Voice mails that are to become part of the Official Files will be separately recorded or transcribed. Otherwise, no effort will be made to retain voicemails.

Cottonwood Green Association, Inc.

By: **Signature on File**
President

This policy regarding Document Retention and Destruction was adopted by the Board of Directors at a regular meeting held on the 14th day of April, 2014, effective the 14th day of April 2014, and is attested to by the Secretary of Cottonwood Green Association, Inc.

Signature on File
Secretary