

Elk Springs Homeowners Association, Inc.
Document Retention Policy and Procedures

Pursuant to the authority granted by Article 4.14 (A) of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Elk Springs, Garfield County, Colorado (the “Declaration”), the Board of Directors of Elk Springs Homeowners Association, Inc. (the “Association”) adopts the following policy and procedures governing the retention and destruction of Association documents and records. Unless otherwise defined in this Policy and Procedure, initially capitalized or terms defined in the Declaration or the Second Amended and Restated Bylaws of the Elk Springs Homeowners Association, Inc. (the “Bylaws”) shall have the same meaning herein.

1. Policy and Purposes

This Policy represents the policy of the Association with respect to the retention and destruction of documents and other records, both in hard copy and electronic media, hereinafter referred to as “documents” in this Policy. Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the Association as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Association Board of Directors (the “Board”), officers, staff, committees, managing agent and its employees and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the Association, through its Board, reserves the right to revise or revoke this Policy at any time.

2. Administration

2.1 Responsibilities of the Administrator. The Association’s managing agent (the “Administrator”) is in charge of administering this Policy. The Administrator’s responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy Association documents and retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories. The Association’s President is also authorized to periodically review this Policy and its compliance with legal counsel and to report to the Board and Members of the Association as to compliance. The Administrator shall report to the Board, which maintains the ultimate direction of management.

2.2 Responsibilities of Constituencies. This Policy also relates to the responsibilities of the Board, officers, staff, committees, prior Board and committee members, managing agent and its employees, legal counsel and other constituencies with respect to maintaining and documenting the storage and destruction of the Association’s

documents. The Association's staff, as applicable, and employees of the managing agent shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in its implementation. The responsibility of the Association's Board and committee members with respect to this Policy shall be to produce all Association documents after each term which the Board member or committee member has served. It shall be the responsibility of the Administrator to confirm whatever types of documents the Board or committee member retained and to request any such documents which the Administrator and Board believes will be necessary for retention by the Association. Other constituencies may include vendors or other service providers. Depending upon the sensitivity of the documents involved with the particular relationship, the Association, through the Administrator, shall share this Policy with the third party, requesting compliance. In particular instances, the Administrator may require that the contract with the third party specify the particular responsibilities of the third party with respect to this Policy.

3. Suspension of Document Destruction; Compliance. The Association becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever "knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of any such matter or case." Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with the Board and legal counsel. If any Board member or constituent becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the Association, he/she shall immediately notify the Administrator and legal counsel. Failure to comply with this Policy, including disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, as applicable, it could lead to disciplinary action including possible termination.

4. Electronic Documents; Document Integrity. Documents in electronic format shall be maintained similar to hard copy or paper documents, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular testing of the reliability and security of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the Association.

5. Privacy. It shall be the responsibility of the Administrator, after consultation with the Board, to determine how privacy laws will apply to the Association's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

6. Emergency Planning. Documents shall be stored in a safe, organized and accessible manner. Documents which are necessary for the continued operation of the Association in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

7. Document Retention Schedule.

Document Type	Retention Period
Accounting and Finance:	
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Annual financial statements of financial condition, cash flows and results of operations	Permanent
Audited/Reviewed financial statements	Permanent
Bank statements, reconciliations and deposit slips	7 years
Budget	Current period
Canceled checks – routine	7 years
Canceled checks – special or large purchases	Permanent
Notes, mortgages, leases (expired)	7 years
Contracts (still in effect)	Contract period
Contracts (expired)	7 years after expiration
Credit card receipts	3 years
Deeds, mortgages and bills of sale	Permanent
Depreciation schedules	Permanent
Employer tax withholding records	7 years
Employee/business expense reports/documents	7 years
Expense analysis/expense distribution schedules	7 years
General ledger	Permanent
Interim financial statements, including statements of financial condition, results of operations and cash flows	3 years
Internal audit reports	3 years
Payroll records and summaries	7 years
Property, plant and equipment records	Permanent
Schedule, by Unit Owner, of the amount of each assessment, the dates on which the assessment comes due, and additional fees payable by the Unit Owner, the amount and date paid on the account and the balance due	Current
Tax returns – federal and state	7 years
Vendor invoices	7 years
Corporate	
Articles of Incorporation and amendments	Permanent
Bylaws and amendments	Permanent
Declaration of Covenants, Conditions and Restrictions	Permanent
Design Requirements and Guidelines	Current version with revision history
Policies and Procedures	Current version with revision history

Covenant Enforcement Rules and Regulations	Current version with revision history
Animal Control Rules and Regulations	Current version with revision history
Minute books, including Board, committees and Members minutes of meetings, records of all actions taken by Board, committees and Members without a meeting, records of all waivers of notice of meetings of Members, Board and committees	Permanent
Written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting	Permanent
Annual Reports to Attorney General and Secretary of State	Permanent
Other Corporate filings	Permanent
Licenses and permits	Permanent
Employer Identification (EIN) designation	Permanent
Names of Unit Owners, number of votes each Unit Owner is entitled to vote and physical mailing address, and e-mail address, if available at which the Association communicates	Current period
Names, e-mail address and physical mailing addresses of Board and Officers	Current period
Road Reserve and Water Reserve Studies	Permanent
Board or Architectural Review Committee actions to approve or deny any requests for design, architectural or modification approval from Unit Owners	Permanent
Ballots, proxies and other records related to voting by Unit Owners	1 year
Easements	Permanent

Correspondence and Internal Memoranda

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

- Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance Two years
- Correspondence and internal memoranda important to the Association or having lasting significance Permanent, subject to review
- Correspondence with Unit Owners Three years

Electronic Mail (E-mail) to or from the Association

Electronic mail (e-mails) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.

E-mails considered important to the Association or of lasting significance should be printed and stored in a central repository.	Permanent, subject to review
--	---------------------------------

E-mails not included in either of the above categories	12 months
--	-----------

Electronically Stored Documents

Electronically stored documents (e.g., in pdf, text or other electronic format) comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form (unless the electronic aspect is of significance).

Electronically stored documents considered important to the Association or of lasting significance should be printed and stored in a central repository (unless the electronic aspect is of significance).	Permanent, subject to review
--	---------------------------------

Electronically stored documents not included in either of the above categories	Two years
--	-----------

Human Resources

Employment Applications	3 years
Personnel Records	7 years after termination
Employee contracts	7 years after termination
Timesheets	7 years

Insurance

Property, D&O, Workers' Compensation and General Liability Insurance Policies	Permanent
Insurance Claims Records	Permanent

Legal and Contracts

Contracts, related correspondence and other supporting documentation

10 years after termination

Legal correspondence

Permanent

PRESIDENTS CERTIFICATION:

The undersigned, being the President of the Elk Springs Homeowners Association, Inc. Board of Directors certifies that the foregoing Policy and Procedures for the retention and destruction of Association documents and records was adopted by the Board of Directors at a duly called and noticed meeting of the Board of Directors held on June 12, 2017 and in witness thereof, the undersigned has subscribed her name.

/s/ Evelyn L. Cole

June 12, 2017

President, Elk Springs Homeowners Association, Inc. Board of Directors

Date Adopted