

**ESTANCIA HOME OWNERS ASSOCIATION, INC.'S
DOCUMENT RETENTION POLICY**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

WHEREAS, the Estancia Home Owners Association, Inc., (hereinafter "Association"), is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the Declaration for the Association; and

WHEREAS, Chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add Section 209.005 (Section 209.005), thereto regarding the Association's Document Retention Policy ("Document Retention Policy"); and

WHEREAS, the Board of Directors of the Estancia Home Owners Association, Inc., desires to hereby establish a document retention policy consistent with the provisions of Section 209.005 and to additionally provide clear and definitive guidance to its members.

NOW THEREFORE, the Board has duly adopted the following *Document Retention Policy*.

SECTION ONE

Introduction

1. Scope

This Document Retention Policy applies to the Estancia Home Owners Association, Inc., the Association's employees and the Association's Board of Directors.

The documents maintained by the Association's legal counsel are not subject to this Document Retention Policy.

1.2 Purpose

To adopt a policy regarding Association record availability and to adopt a standard procedure to be followed concerning a records retention schedule.

1.3 Policy

- A. It is the Association's policy to maintain complete, accurate and quality Documents. Documents are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual or legal requirements, or for other purposes as set forth in this Document Retention and Destruction Policy.
- B. Documents which are no longer required, or have satisfied their recommended period of retention, are to be destroyed in an appropriate manner.

- C. The Association's Property Manager shall be primarily responsible for maintaining the documents for the Association.

1.4 Compliance

This Documentation and Retention 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 and industry custom and practice.

1.5 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 received 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 to be maintained in the Official Files.

1.6 Annual Purge of Files

The Association's Board shall conduct an annual purge of files. The annual purge shall be completed within the first (1st) quarter of each calendar 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 Litigation

At the onset of litigation, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved.

Thus, at the direction of legal counsel, the Association's Board President 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 appeals have expired. At the conclusion of the litigation, the "hold" period will cease and the time periods provided in the Document Retention and Destruction Guidelines 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 any other electronic documents from which information can be obtained or translated such as electronic mail, voice mail, floppy discs, hard discs and CD ROM.

2.3 Official Files

"Official Files" means the files maintained by 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

"Permanent" means that the retention period for that document is permanent.

SECTION 3

Document Retention and Destruction Guidelines

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

The retention periods identified with particular Documents are intended as guidelines. In particular circumstances, the Association's Board Members have the discretion to determine that either a longer or shorter retention period is warranted.

Financial Documents

Retention Period

General Ledgers and Journals	Current year plus 7
Year End Financial Statements	Current year plus 7
Tax Returns	Current year plus 7

Audit Reports	Current year plus 7
Depreciation Schedules / Capital Inventory Plan	Current year plus 7
Accounts Payable/Accounts Receivable Ledgers	Current year plus 7
Expense Records	Current year plus 7
Canceled Checks	Current year plus 7
Electronic Payment Records	Current year plus 7
Purchase Orders and Vendor Invoices	Current year plus 7
Bank Statements	Current year plus 7
Deposit Slips	Current year plus 7
Budgets	Current year plus 7
Petty Cash Vouchers	Current year plus 7
Billing (Owners) Records	Current Owner period plus 1 year after sale or transfer to new owner.

Governing Documents

Retention Period

Deed Covenants and Restrictions	Permanent
Bylaws	Permanent
Articles of Incorporation	Permanent
Rules and Regulations	Permanent
Policies	Permanent

Corporate Documents

Retention Period

Board meeting minutes	Current year plus 7
Membership Meeting Minutes	Current year plus 7
Proxies and Voting Records	Current year plus 7
Attendance Records at Membership Meeting where quorum is required	Current year plus 7

Committee Meeting Minutes	Current year plus 7
ACC Applications, Approved or Denied	Permanent
ACC Variances, Approved or Denied	Permanent

Legal / Insurance / Claims

Retention Period

Contract - Active	Current Version
Contracts - Expired	Current Year plus 7
Insurance Policies - Active	Current Version
Insurance Policies - Expired	Current Year plus 7
Insurance Records	Current Year plus 7
Settled Insurance Claims	Current Year plus 7
Court Files, Pleadings (liens, foreclosure, small claims actions)	Current Year plus 7, or until case has been settled, whichever is longer.
Attorney Legal Opinions	Permanent

Destruction of Records

The Association's board of directors shall be responsible for the complying with the records retention policy and the destruction of such records. The destruction of records may be done one of several ways, including shredding, incinerating, pulverizing, and deleting/destroying of electronic files. While no particular method is mandatory, the method chosen should preserve the confidentiality of the documents.

Amendment

This policy may be amended from time to time by the Board of Directors of the Association.

This Document Retention Policy is effective upon recordation in the Public Records of Bexar County, Texas, and shall supercede any policy regarding document retention which may have previously been in effect. Except as affected by Section 209.005 and/or this Policy, all other provisions contained within the Association's Declaration or any other dedicatory instruments of the Association shall remain in full force and effect.

Approved and adopted by the Board on this 17 day of July, 2013.

Jim Karlock

President, Estancia Home Owners Association, Inc.

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Before me, the undersigned authority, on this day personally appeared *Jim Karlock*, President of the Estancia Home Owners Association, Inc., a Texas non-profit corporation, known to be to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein state.

Given under my hand and seal of office this 17 day of July, 2013.

Brenda Bagwell

Notary Public, State of Texas

Brenda Bagwell

Printed Name

My commission expires: 8/16/13

