

# TRAILS HOMEOWNERS ASSOCIATION I

## DOCUMENT RETENTION POLICY

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the Trails Homeowners Association I ("Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the First Amended and Restated Declaration of Covenants and Restrictions for The Trails (Part B), filed of record on February 15, 1996, as Instrument No. 199600330616, Volume 96033, Page 2694, *et seq.*, Deed Records, Dallas County, Texas (the "Declaration"), as such may be amended and/or supplemented from time to time; and

WHEREAS, Chapter 209 of the Texas Property Code was amended to add Section 209.005(m) thereto regarding retention of Association documents and records ("Documents"); and

WHEREAS, the Board of Directors (the "Board") of the Association desires to establish a policy for document retention consistent with Section 209.005(m) and to provide clear and definitive guidance to property owners.

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

1. Association documents may be maintained in paper format and/or in an electronic format which can be readily transferred to paper.
2. Association documents shall be retained for the durations listed below, and the Board is authorized to make modifications to this Records Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and that the schedule includes the appropriate document and record categories for the Association.
  - a. Certificate of formation or articles of incorporation, bylaws, restrictive covenants, other dedicatory instruments and any amendments to same shall be retained permanently;
  - b. Financial books and records, including annual budgets, reserve studies, monthly financial statements and bank statements, shall be retained for seven (7) years;
  - c. Account records of current owners shall be retained for five (5) years;
  - d. Account records of former owners shall be retained as a courtesy to that former owner for one (1) year after they no longer have an ownership interest in the property;
  - e. Contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term;
  - f. Minutes of meetings of the owners and the Board shall be retained for seven (7) years after the date of the meeting;

- g. Tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year; and
  - h. Decisions of the Architectural Control Committee ("ACC") or Board regarding applications, variances, waivers or related matters associated with individual properties shall be retained for (7) years from the decision date.
- 3. Any documents not described above may be retained for the duration deemed to be useful to the purpose of the Association.
  - 4. Upon expiration of the retention period listed above, the Documents shall no longer be considered Association records and may be destroyed, discarded, deleted, purged or otherwise eliminated.
  - 5. In the event the Association is served with any subpoena or request for documents or the Association becomes aware of a governmental investigation or audit concerning the Association or the commencement of any litigation against or concerning the Association, all documents relating or pertaining to such investigation, claim or litigation shall be retained indefinitely, and any further disposal of documents shall be suspended and shall not be reinstated until conclusion of the investigation or lawsuit, or until such time as the Board, with the advice of legal counsel, determines otherwise.

This Policy is effective upon recordation in the Public Records of Dallas County, Texas and supersedes any policy regarding document retention which may have previously been in effect. Except as affected by Section 209.005(m) and/or by this Policy, all other provisions contained in the Declaration or any other dedicatory instrument of the Association shall remain in full force and effect.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 5-10-2012, and has not been modified, rescinded or revoked.

  
Name  
Title President  
Trails Homeowners Association I