

**RECORDS RETENTION POLICY**  
*for*  
**LAKWOOD HILLS COMMUNITY IMPROVEMENT ASSOCIATION**

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THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

I, Keri Clarbuel, Secretary of Lakewood Hills Community Improvement Association (the "Association"), do hereby certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 4 day of October, 2011, with at least a quorum of the board members being present and remaining throughout, and being duly authorized to transact business, the following Records Retention Policy was duly approved by a majority vote of the members of the Board:

**RECITALS:**

1. Chapter 209 of the Texas Property Code was amended to add Section 209.005(m) requiring property owners' associations to adopt a records retention policy and to set forth minimum retention periods for particular types of documents.
2. The new law becomes effective on January 1, 2012.
3. The Board of Directors of the Association desires to adopt a records retention policy consistent with the new law.

**POLICY:**

It is the policy of the Association to retain the records of the Association listed below for the periods of time set forth below. The Association is not required to retain any other records. As used herein, "records" means documents originated or obtained by the Association in connection with its operations, whether a paper document or a document in electronic form.

This policy governs the archiving and destruction management of all documents originated by the Lakewood Hills Community Improvement Association ("Association") and documents not originated by the Association but which should be protected because they are important to the operation of the Association.

All Association documents, either paper or in an electronic form, will have assigned retention times and will be destroyed at the end of the retention period or as soon after as practically possible. Documents may be archived offsite in a secure facility, but must be accessible as provided in the "Open Records Policy for Lakewood Hills Community Improvement Association". Draft documents and copies of original documents will be destroyed at the end of their useful life, which shall be no longer than the retention schedule for the original document. Any revision of a document must be noted and the retention period will restart at the revision date. The retention schedule is attached hereto as Exhibit "A" and incorporated herein for all purposes.



## Exhibit "A"

### Records Retention Schedule

#### I. Corporate "Legal" Documents and Records

The following records are to be retained permanently:

Articles of Incorporation (now known as Certificate of Formation)  
By-Laws  
Restrictive Covenants  
Amendments to the Articles of Incorporation (now known as Certificate of Formation)  
Amendments to the By-Laws  
Amendments to the Restrictive Covenants  
Deeds for Association Property  
Annexation Records  
Plats  
Management Certificates  
Approved Minutes of Board Meetings  
Approved Minutes and Records of ACC Meetings  
Approved Minutes of Committee Meetings  
Approved Minutes of Annual and Special Meetings of Members  
Year End Audits/Tax Returns

#### II. Corporate Financial Records

The following Financial Records and Reports shall be kept for seven (7) years:

Check Register  
Trial Balance  
Prepaid/Accounts Receivable  
Income Statements  
Detailed General Ledger  
Accounts Payable  
Bank Statements/Bank Reconciliations/Cancelled Checks  
Approved Annual Budget  
Annual Assessment Roll and sample of a typical assessment statement

#### Other Corporate Records (in alphabetical order)

**Bank Account Information:** Information related to bank accounts, CDs, or other investments information for each account shall be retained as long as the accounts are open and for seven (7) years after the account is closed. Signature cards shall be kept for seven (7) years following the date that the card is updated or replaced.

**Bids/Proposals:** Information related to solicitations for bids or proposals shall be retained for three (3) years after the origination date or for as long as the information is deemed useful.

**Board Files/Packages** from board meetings: Minutes of meetings shall be permanently retained; other documents included in the Board package shall be retained for three (3) years.

**Budget Support files:** Financial reports associated with the development of the annual budget shall be kept for three (3) years after the year for which they were prepared.

**Committee Files** (agendas, meeting notes, etc.): Minutes of committee meetings shall be permanently retained. Other documents need only be retained for three (3) years or as long as deemed useful to the committee with respect to an on-going project.

**Contracts:** Four (4) years after the date the contract is terminated. If a warranty is expressly provided in the contract, the contract shall be retained for a period of five (5) years after the date the warranty expires.

**Correspondence:** General correspondence, not in relation to particular property or property owner shall be retained for five (5) years after the origination date or for as long as the information is deemed useful, whichever is longer.

**Insurance Claims (Settled):** Settled insurance claims shall be retained for five (5) years after the date the claim is settled.

**Insurance Policies (Expired):** Expired insurance policies shall be retained for five (5) years after the date the policy terminates.

**Legal Opinions:** Opinions rendered by the Association's attorney shall be retained permanently.

**Legal Status Reports:** Routine monthly or quarterly status reports from the Association's attorney shall be retained for three (3) years.

**Litigation Files (Settled):** Settled litigation files shall be retained for five (5) years after the date the matter is finally concluded; however, if the suit is in regard to a deed restriction suit in which a permanent injunction was obtained, the judgment shall be retained as long as it is in effect (which will usually be as long as the owner who was sued owns or occupies the property).

**Member Meeting (Annual and Special):** Minutes of annual and special meetings of the members and minutes of meetings of the Board of Directors shall be permanently retained. Documents relating to a meeting (the notice of meeting, ballots, proxies, etc.) shall be retained for seven (7) years. Handouts provided for informational purposes need only be retained as long as the information is deemed useful.

**Newsletter/Directories/Inserts/Website Information or other electronic publications of the Association:** One (1) copy of each newsletter, directory, etc., shall be permanently retained. Other copies of a newsletter, etc. need not be retained for any length of time.

**Personnel Records (if any):** Personnel files, if any, (including wage rates, job description, etc.) shall be permanently retained and payroll records on a particular employee shall be retained for five (5) years after the date of termination.

**Procedures/Policies/Resolutions of the Board:** Procedures, policies, and resolutions of the Board shall be retained for as long as they are in effect. If a procedure, policy, or resolution of

the Board is changed, a copy of the original procedure shall be retained for five (5) years beyond the date that the procedure was adopted or the date the procedure was changed, whichever is longer.

**Reserve Studies:** A copy of the Association's Reserve Study shall be retained for the period of time covered by the study plus three (3) years.

**Special Projects:** Records relating to a special project shall be retained for the duration of the special project, plus three (3) years (except to the extent that documents relating to a special project may be addressed under a different category such as contracts).

**Work Orders/Facility Inspection Reports/ Building Repair Information:** Records relating to work orders, etc. shall be retained for a period of three (3) years beyond the date of completion of the work, inspection, etc.

### **III. Records Relating to Individual Members or Member Properties:**

**Accounts receivable activity for member accounts:** Records relating to accounts receivable activity for member accounts shall be retained for five (5) years after the account is paid.

**Applications for Improvements and New Construction Files (Plans):** Applications and plans related to improvements to members' properties shall be retained for five (5) years from the date of completion of the proposed improvement. Record that a particular improvement has been approved by the Association should be retained permanently.

**Correspondence:** Correspondence to, from, or relating to a member account involving a deed restriction violation or accounts receivable activity shall be retained for five (5) years. Correspondence to, from, or relating to a member account not involving a deed restriction violation or accounts receivable activity shall be retained for three (3) years past the origination date or as long as it is deemed useful to the Association. For example, title, ownership, or closing information (three (3) years after an ownership change), or a letter from homeowner requesting information on the MUD ditch that abuts the property (three (3) years from date of letter.)

**Deed Restriction Activity for Member Properties:** Records relating to deed restriction violation activity for members shall be retained for five (5) years after the violation is corrected. If the violation resulted in a suit, any judgment obtained should be retained as long as it is in effect.

### **IV. Other Miscellaneous Records**

**Any Other Records Not Specified Elsewhere:** Other documents need only be retained for three (3) years after the origination date of the document or as long as it is deemed useful to the Association.

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