

POLICY
OF PARK EAST SQUARE HOMEOWNERS ASSOCIATION, INC. REGARDING
DOCUMENT RETENTION AND DESTRUCTION

- SUBJECT:** Retention and destruction of Association documents.
- PURPOSE:** To adopt a policy and procedure regarding the maintenance, retention, and destruction of Association documents.
- AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** February 11, 2025
- RESOLUTION:** The Association adopts the following policy and procedures.
1. Scope. This policy applies to the Association, its Board of Directors (“Board”), any management company and payroll services provider. It does not apply to documents maintained by the Association’s legal counsel.
 2. Purpose. This policy establishes the procedure and retention periods for identifying, retaining, storing, protecting, and disposing of the Association’s documents. This is necessary to ensure the Association conducts itself in a cost-effective manner while also adhering to legal and business requirements.
 3. Policy. The Association shall maintain complete and accurate documents. Documents are to be retained for the period of their immediate use unless longer retention is required for contractual or legal requirements, historical reference, or for other purposes as set forth in this policy.
 - (a) The management company and payroll services provider are responsible for ensuring that documents within their areas of assigned responsibility are identified, retained, stored, protected, and subsequently destroyed in accordance with this policy. The Board’s secretary is responsible for overseeing implementation of policy and procedures related to records management for the Association, as well as ensuring documents maintained in the Association’s office are retained, stored, protected, and destroyed in accordance with this policy.
 4. Compliance. The retention periods in this policy are based on the current retention periods set forth in federal, state, and local statutes and regulations, and industry custom and practice. The policy is not intended to be all inclusive and must be tailored to meet the specific needs of the Association.
 5. Board Members. Board members are not required to maintain any documents. Board members in their discretion may dispose of documents generated by the Association because the Association maintains such documents in the official files. However, if Board members receive documents relating to the Association that were not generated by

the Association or received through the Association, they shall send the originals of such documents to the Board secretary and management company to be maintained in the appropriate official files. Documents created by Board members for their own use as a member of the Board, 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 specified in this policy. Email discussions among Board members shall be copied to and saved by the management company or Board secretary pursuant to this policy. No Board member shall disclose or provide any document to any owner outside of the Board. Board members shall direct owners to make a formal request to the Association pursuant to its *Records Inspection and Copying Policy*.

6. Purge and Destruction. Documents are to be reviewed annually, within the first quarter of each calendar year, to identify those that are to be purged. Purged documents shall be shredded or permanently deleted if stored electronically.
7. Document Hold. No document shall be destroyed if it is involved in any pending action, audit, or lawsuit, or the Association reasonably believes it will be involved in an action, audit, or lawsuit. All potentially relevant documents shall be deemed “held” until the matter is resolved, including the expiration of any appeal periods. Once resolved, the “hold” period shall cease and the retention period in this policy will recommence.
8. Miscellaneous. Copies of any document may be destroyed, regardless of age, provided the original is maintained in the official files.
9. Definitions. Unless otherwise defined in this policy, terms defined in the Declaration shall have the same meaning herein.
 - (a) “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 includes, but is not limited to, writings, drawings, graphs, charts, photographs, tape, disc, audio and video recordings, microforms, and other electronic documents from which information can be obtained or translated (e.g., email, voice mail, discs, CDs, drives). The documents defined in this policy may encompass more records than those that are available for inspection by owners pursuant to the *Records Inspection and Copying Policy*. Not all documents may be records of the Association as defined in the *Records Inspection and Copying Policy* and Colorado law, and therefore, may not be subject to inspection by owners.
 - (b) “Life + X years” means the specified number of years beyond the termination of the relationship, contract, or coverage.
 - (c) “Official Records” means the files maintained by the Association, management company, and payroll services provider. The legal documents and documents subject to attorney-client privilege and the work product doctrine maintained by the Association’s legal counsel are not official records of the Association.

9. Supplement to Law. The provisions of this policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.
10. Deviations. The Board may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances.
11. Amendment. This policy may be amended from time to time by the Board of Directors.
12. Document Retention Schedule. The Association's documents are grouped into functional categories. Although every conceivable document is not listed, the following should indicate to which subcategory a particular document relates.

1. Accounting Records	Retention Period
Accounts payable (e.g., vendor invoices)	7 years
Accounts receivable	7 years
Depreciation schedules	Permanent
Expense records (analysis, distribution)	7 years
Financial statements – annual	Permanent
Financial statements – monthly	3 years
Fixed asset purchases	Permanent
General ledger, journals, and chart of accounts	Permanent
Inventory records	7 years
Loan payment schedule	7 years
Federal & State tax returns	7 years

2. Bank/Financial Records	Retention Period
Bank reconciliation	2 years
Bank statements	7 years
Deposit slips and cancelled checks	7 years
Cash Receipts and Cash Disbursement Journals	7 years
Owner ledgers	While own townhome + 7 years
Electronic payment records	7 years
Audit/financial review reports	Permanent
Personal property tax records	Permanent
Budgets	1 year
Reserve study	Until replaced

3. Corporate Records	Retention Period
Board, owner, and delegated committee meeting minutes	Permanent
Meeting agendas	1 year
Governing documents: Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Policies and Guidelines (e.g., architectural guidelines), Map	Permanent
Records of actions of the Board or owners without a meeting (e.g., record of Board decisions via email vote)	Permanent

Email communications among Board members directly related to and resulting in a decision made outside a meeting (e.g., discussion before an email vote)	1 year
General email discussion among the Board members that do not result in any decision being made outside a meeting	1 year
Record of Waivers of Notices of Meetings of owners, Board, or committees	Permanent
Board Resolutions	Permanent
Business licenses	Permanent
Contracts/Agreements	Life + 7 years or warranty period if longer
Bids, proposals	3 years
Maintenance records (maintenance on major components)	Permanent
Maintenance and office equipment (warranties, guarantees, instructions, specifications)	Until expire or replaced
Insurance records (policies, accident reports, settled claims, fidelity bonds, certificates of insurance)	Life + 4 years or settlement of any claims if longer
Leases/Mortgages for Association	Permanent
Deeds, titles, easements of Association	Permanent
Patents/Trademarks/Copyrights	Permanent
Owner records	As long as own townhome + 3 years
Legal correspondence	Permanent
Written correspondence between Association and vendors	7 years
Photographs, videos	7 years
Periodic reports filed with the Secretary of State and renewals with Division of Real Estate	1 year - maintained by state agencies
Recordings (video or audio) of Board meetings	Until minutes approved
Proxies, ballots, other records (e.g., sign-in sheets) , except those related to governing document	1 year after the election, vote, action to which they relate
Proxies, ballots, other records (e.g., sign-in sheets) , related to governing document amendments.	Permanent

4. Employee Records	Retention Period
Personnel files (resumé & references, offer, contract, reviews)	Employed + 3 years
Payroll records (maintained by 3 rd party as of 2023)	7 years
Employment taxes	7 years

5. Real Estate Records	Retention Period
Construction records	Permanent
Warranties	Permanent
Architectural plans, drawings, designs for common area	Permanent
Lease payment records	Life + 4 years

6. Owner Communications	Retention Period
Written communications to all owners at once, including meeting or other notices, newsletters, insurance letters sent via email, fax, and mail.	6 years

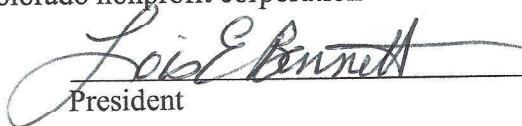
7. Individual Owner/Townhome Files	Retention Period
Correspondence with individual owners, excluding enforcement, delinquency, and routine information (e.g., general questions or concerns)	As long as own townhome + 4 years
Owner complaints and disputes	As long as own townhome + 4 years
Annual architectural survey result letters	Permanent (townhome record)
Enforcement action (all notices, hearing decisions, correspondence between the parties)	As long as own townhome + 4 years.
Collections action (Delinquency notices, collection agency documents)	As long as own townhome + 4 years
Requests and decisions for exceptions variance/exception to rules or policies, excluding exterior architectural requests	As long as own townhome + 4 years
Legal action - owner (demand letters, orders, judgments, decrees, settlements)	As long as own townhome + 4 years
Exterior architectural requests (application, Board decision, recorded Maintenance and Insurance Agreements, Board decision on requested exception/variance)	Permanent (townhome record)
Written consents or waivers	As long as own townhome or until notice of withdrawal

8. Miscellaneous	Retention Period
Documents not otherwise listed	Board's discretion

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Park East Square Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on February 11, 2025, and in witness thereof, the undersigned has subscribed their name.

Park East Square Homeowners Association, Inc.,
a Colorado nonprofit corporation

By: 
President