

BAY HARBOR CHANNEL OWNERS ASSOCIATION, INC.

RECORDS RETENTION POLICY

WHEREAS, the Bay Harbor Channel Owners Association, Inc. ("Association") is charged with administering and enforcing the Declaration of Restrictive Covenants, Conditions, Dedication and Agreement on Channel Ownership and Maintenance of Bay Harbor Unit 1, Bay Harbor Units 2 & 3, and Bay Harbor Unit 4 (referred to collectively as "Declarations"); and

WHEREAS, pursuant to Chapter 209 of the Texas Property Code, the Board of Directors ("Board") of the Association hereby adopts this Policy for the purpose of prescribing the Records Retention Policy pursuant to Section 209.005 (m) of the Texas Property Code; and

WHEREAS, the Board has determined that it is in the best interest of the Association to establish this Policy for the retention of documents/records of the Association. For purposes of this Policy, the term "Documents" or "Records" means any documentary material which is generated or received by the Association in connection with transacting its business.

NOW, THEREFORE, BE IT RESOLVED THAT the Board does hereby adopt this Records Retention Policy, which shall run with the land and be binding on all owners and lots within the subdivision.

1. This Policy provides for the systematic review, retention, and destruction of Documents. Documents include, among others, writings, drawings, graphs, charts, photographs, tape, disc, audio recordings, microforms, and other electronic documents, such as electronic mail, voice mail, hard discs, CD ROM, and DVD.
2. This Policy covers all Records and Documents, regardless of physical form, and contains guidelines for how long certain Documents should be kept, and how Records should be destroyed. Electronic Documents will be retained as if they were paper documents.
3. The Association retains specific Documents for the time periods outlined in the attached Exhibit "A". Documents that may not be specifically listed will be retained for the time period of the Documents most closely related to those listed in the schedule. For purposes of this Policy the term "Permanent" means that the retention period for that Document is for the life of the Association, and the term "Termination" means expiration of the term of the applicable Document. For example: "Termination + 4 years" means four (4) years beyond expiration of the term of such Document.
4. The Association's Custodian of Records is responsible for the ongoing process of identifying the Association's Records which have met the required retention period and overseeing their destruction. Other Documents of the Association not listed in the attached Exhibit "A" will be destroyed when deemed appropriate by the Board.

5. The Association does not require Board members to maintain any Documents that were generated by the Association. However, when a Board member ceases to be a Board member, such Board member shall turn over to the Association's Custodian of Records, all Documents and files relating to the business of the Association, which are not otherwise in the Association's Records.
6. Copies of any Document may be destroyed, provided that an original or copy is maintained in the Association's Records or is otherwise not required to be maintained pursuant to this Policy.
7. Documents that are no longer required or have satisfied their recommended period of retention are to be destroyed in an appropriate manner.
8. Destruction of any physical Documents shall be by shredding, bagging, and trash pick-up. Destruction of any electronic Records of the Association shall be made via a reasonable attempt to remove the electronic Records from all known electronic locations.

This Policy is effective upon signing and supersedes any policy regarding document retention which may have previously been in effect. This Policy may be amended from time to time.

Except as affected by Section 209.005 and/or by this Policy, all other provisions contained in the Declarations, or any other dedicatory instruments of the Association shall remain in full force and effect.

This Records Retention Policy was approved and adopted on this 16th day of November 2019, at a meeting of the Board of Directors at which a quorum was present.

BAY HARBOR CHANNEL OWNERS ASSOCIATION, INC.

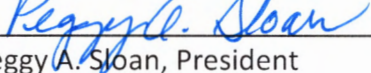
By: 
Peggy A. Sloan, President

EXHIBIT "A"
RECORDS RETENTION SCHEDULE

DOCUMENT TYPE	MINIMUM RETENTION PERIOD
<u>ACCOUNTING RECORDS</u>	
Audit Reports	7 years from date of report
Chart of Accounts	Permanent
Fixed Asset Purchases	Permanent
General Ledger	Permanent
Annual Budgets	7 years
Accounts Payable	7 years
Expense Records	7 years
Financial Statements (Year-End), and Supporting Documents	7 years
Inventory Records	7 years
Loan Payment Schedules	7 years
Tax Returns	7 years
Reserve Studies	Period of Study + 2 years
<u>BANK RECORDS</u>	
Bank Reconciliations	7 years
Bank Statements	7 years
Electronic Payment Records	7 years
<u>GOVERNING DOCUMENTS AND CORPORATE RECORDS</u>	
Articles of Incorporation/Certificate of Formation, Bylaws, Declaration and other Restrictive Covenants, including any amendments	Permanent
Subdivision Plan, Parcel Map, Deeds	Permanent
Board Resolutions	Permanent
Rules and Regulations	Permanent
Policies and Guidelines	Permanent
Record of Actions of Board or Members taken by Written Ballot, or Written Consent in Lieu of a Meeting	Permanent
Record Meeting Notice Waivers	Permanent
Business Licenses	Permanent

EXHIBIT "A"
RECORDS RETENTION SCHEDULE

DOCUMENT TYPE	MINIMUM RETENTION PERIOD
Contracts with term of one year or more (Major)	Termination + 4 years
Contracts with term of less than one year (Minor)	Termination + 4 years
Legal Opinions/Correspondence from Legal Counsel	Permanent
Lawsuit Files	7 years from resolution date
Leases/Mortgages	Permanent
Board Meeting Minutes, Agendas, Proxies, Ballots, and Related Materials	7 years from meeting date
Confidential Files (Executive Meeting Minutes, Private Homeowner Matters)	7 years from meeting date
Member Meeting Minutes, Agendas, Proxies, Ballots, and Related Materials	7 years from meeting date
Committee Minutes	7 years from meeting date
Insurance Policies	Termination + 4 years
Insurance Claims & Related Documents	4 years after resolution date
Account Records of Current Association Members	5 years
Account Records of Former Owners	1 year from sale date
Property File (ACC Applications, Variances, Property-Related Matters)	Permanent
<u>EMPLOYEE RECORDS</u>	
Employee Files (Ex-employees)	7 years
Employment Taxes	7 years
Payroll Records	7 years
Employment Applications, Resumes, Job Ads or Notices	3 years
<u>REAL PROPERTY RECORDS</u>	
Construction Records	Permanent
Warranties & Repair Records	As long as equipment is owned by Association
Leasehold Improvements	Permanent
Real Estate Purchases	Permanent
Lease Payment Records	7 years