

**HIGH LONESOME RANCH ESTATES
PROPERTY OWNERS' ASSOCIATION (HLR POA)
DOCUMENT RETENTION POLICY**

High Lonesome Ranch Estates Property Owners' Association ("Association") is a nonprofit corporation and a planned community formed under the laws of Arizona. In an effort to meet the responsibilities under Arizona law, the Association and its Board of Directors (the "Board") hereby adopts the following Document Retention Policy (the "Policy") for Board Members and Committee members, if any.

1. Records of the Association.

The records of the Association consist of all Records that involve Association business, regardless of who generates the records (e.g., an Association's community manager, if any, a Board member, a member of an Association committee, a member, or some other third party). The term "Records" includes both paper documents and electronic documents.

The Association designates the Secretary and Treasurer, or an Association community manager, if any, as official records keepers for the Association. Board members and Committee members may maintain files as necessary to conduct association business for which they are responsible.

Association records include, but are not limited to, records that directly relate to the business of the association and are records maintained by a Board member, or a Committee member, or the Association's community manager, if any.

The manner and form of retention of records shall follow the guidelines outlined below.

2. Retaining Records of the Association.

All Association records, whether in hard copy or electronic form, are categorized as "permanent records", "semi-permanent records", or "temporary records". Records are categorized based upon the content contained within the record and are maintained relative to purposes related to organizational efficiency, as well as in compliance with Arizona law, as amended from time to time..

- Permanent records are maintained indefinitely.
- Semi-permanent records are maintained for the duration required by law, as amended from time to time, or as determined by the Board through resolution.
- Temporary records are maintained as needed to accomplish the Association's business.

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3. Official Association Records (paper and electronic records).

The Association shall maintain official records in paper and electronic forms. The Association's designated record keepers shall maintain official records in the manner most effective and efficient for conducting Association business.

Association records in any form received or printed by a member of the Board or of a Committee may be maintained by that member for the purpose of carrying out any association business. Members should store and maintain all Association records separately from personal records.

When a Board or Committee member no longer holds their position, all Association records shall be turned over to the Association's designated records keeper(s) who will verify the status of the records (official or unofficial, category of retention). Members may retain records for personal use and knowledge; however, any such record will not be considered an official Association record for the purpose of this policy.

4. Association Records to be Maintained at Principal Office.

The Board's Secretary and Treasurer, or the Association's community manager, if any, shall be responsible for maintaining the following Association records at the Association's known place of business (e.g., Association on-site office, if any, or home of a designated Board member) or at the office of its statutory agent using paper files and/or electronic storage accessible on-site:

- Current Declaration or CC&Rs and all amendments to them currently in effect.
- Current Articles of Incorporation and all amendments to them currently in effect.
- Current Bylaws and all amendments to them currently in effect.
- Any resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members.
- The minutes of all members' meetings, as well as records of all actions taken by members without a meeting for the past three years.
- All written communications to members generally within the past three years, including the financial statements furnished to the members for the past three years under.
- A list of the names and business addresses of its current Board members and officers.
- The most recent annual report of the Association delivered to the Arizona Corporation Commission.
- The FINCEN reports as required by the Corporate Transparency Act (CTA).

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5. Use of Storage and Electronic Archives.

The Board may coordinate the use of storage facilities, whether on-site or off-site, and/or electronic archiving of all Association records that must be maintained for a period in excess of three (3) years but that need not be maintained at the Association's known place of business or the office of its statutory agent as provided in Paragraph 5.

6. Destruction of Association Records.

Association records that no longer need to be maintained, shall be destroyed by the designated record keeper(s) and one or more Board members.

- The Board of Directors, through recommendations by the Secretary and Treasurer, shall undertake an audit of existing records on at least an annual basis to determine which records are suitable for destruction.
- No destruction of any temporary or semi-permanent records shall occur prior to a resolution passed at a properly noticed regular meeting of the Board.
- The resolution shall specify the records to be destroyed, the method of destruction, and the name or title of the director(s) required to take the action.
- In the case of paper documents, the records shall be shredded prior to disposal.
- Electronic records shall be permanently deleted .

8. Litigation Hold.

In the event that the Association receives a threat of legal action, believes legal action is a possibility, or becomes involved in a legal action of any kind, all destruction of Association records shall be suspended immediately.

The Association shall then notify all persons who may have records relevant to the legal action to perform an audit of their e-mail accounts, files, and personal property to determine what Association records, if any, are in their possession.

The Association's legal counsel will then coordinate the collection of such records and their use in the legal action.

9. Modification.

This document retention policy may be amended and modified through resolution by the Board of Directors or as recommended by designated records-keepers with Board concurrence, or upon direction by legal counsel.

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The schedule of record retention is as follows:

Permanent Records To be Kept Indefinitely:

- Declaration or CC&Rs
- Articles of Incorporation
- Bylaws
- Rules and Regulations
- Architectural Guidelines
- All amendments to the aforementioned governing documents
- Board Resolutions
- Minutes of all Meetings of the Members and the Board of Directors
- Written documentation of all actions taken without a meeting by the Members or the Board of Directors
- Minutes of Committee meetings
- Written documentation of actions taken by Committees on behalf of Association
- Architectural Approvals/Denials in Lot Files
- Legal records of any kind that pertain to litigation or as directed by counsel.
- Records of any kind as determined by the Board to be necessary for historical purposes.

Semi-Permanent Records To be Kept for 7 Years:

- All financial records of the Association
 - Financials for past 3 years should be kept at the Association's place of business or readily available if in electronic format.
 - Financial records 4 years or older may be stored off-site or archived if in electronic format.

Semi-Permanent Records Regarding Board Elections:

- Keep all records relating to a Board election **until those elected have resigned or completed their term**. Such records include but are not limited to, ballots, calculation/counting notes, names and contact information about who performed count and who witnessed count, etc.
- Records related to Removal of a Board Member (e.g., Petitions, Notices, Ballots, Meeting Minutes, etc.).
- Arizona law requires that ballots and all election materials, including sign-in sheets, be maintained for at least 1 year.

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Semi-Permanent Documents Regarding Association Contracts

- Keep all Association contracts and related documentation (such as requests for proposals and bids.) **for 6 years after the end of the term of the contract.**
- Insurance policies may be kept until renewal or as directed by insurance provider or legal counsel.
- Insurance claims shall be kept until claim is resolved or as directed by insurance provider or legal counsel.

Semi-Permanent CC&R Complaints

- Keep all complaints from members (whether written, electronic or phone notes) in the Lot file about which the complaint is made **until the owner of that Lot no longer owns the property or the violation is resolved, whichever is later.**
- However, keep **all** architectural plans, approvals, disapprovals, conditional approvals, etc. in each Lot file **indefinitely.** (*see also* Permanent Records)

Semi-Permanent Records Communications with Owner

- Keep all Records relating to communication with the Owner (including but not limited to violations about their Lot, photos about violations, unpaid assessments, or any other dispute) in the Lot file **about which the communications or complaints are made until the owner of that Lot no longer owns the property or the violation is resolved, whichever is later.**

Semi-Permanent Records To be Kept for 3 Years:

- All Written Communication to the Members (e.g., Notices, E-mails, Letters, Blank Ballots, Web-pages, Newsletters, etc.)

Semi-Permanent Records Related to Any Dispute or Potential Dispute

- Keep all Records of any kind relating to any dispute or potential dispute for purposes of a litigation hold, until dispute is resolved, or as directed by counsel or insurer.

Temporary Records

- Correspondence and communications that do not directly relate to association business.
- Records in which the content is captured, contained, or maintained in another record categorized permanent or semi-permanent.

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Document Retention Policy is effective as of this ____ day of _____, 2024.

Motion:

The Board of Directors, acting on behalf of the High Lonesome Ranch Estates Property Owners' Association, adopts and implements immediately the Document Retention Policy.

Motion by: _____

2nd by: _____

Votes in favor: _____

Votes against: _____

Motion passes? Yes or No

Effective date: _____

Secretary signature/confirmation: _____ **Date:** _____