PI145-2013014765-7

CORPORATE CERTIFICATE
SEVEN COVES ASSOCIATION, INC.

The undersigned certifies that he is the President of Seven Coves Association, Inc. (the "Association"). The Association is the property owners' association for Seven Coves Section One, Section Two, Section Three, Section Four, Section Five and Section Six, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in the Map Records of Montgomery County, Texas (the "Subdivision").

The Association is a Texas non-profit corporation, and a true and correct copy of the **Records Retention Schedule of Seven Coves Association, Inc.** is attached to this certificate as Exhibit "A."

Signed this 11th day of February, 2013.

SEVEN COVES ASSOCIATION, INC.

By: _____
JOHN SHEPHERD, President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

SWORN TO AND SUBSCRIBED BEFORE ME on the 11 day of February, 2013, by JOHN SHEPHERD, President of SEVEN COVES ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

_____
NOTARY PUBLIC, State of Texas

AMY C. LUNDY
Notary Public, State of Texas
My Commission Expires
June 20, 2016

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 11 day of February, 2013, by JOHN SHEPHERD, President of SEVEN COVES ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

_____
NOTARY PUBLIC, State of Texas

AMY C. LUNDY
Notary Public, State of Texas
My Commission Expires
June 20, 2016

AFTER RECORDING RETURN TO:
Bryan P. Fowler
The Fowler Law Firm
300 West Davis, Suite 510
Conroe, Texas 77301

RECORDS RETENTION SCHEDULE OF
SEVEN COVES ASSOCIATION, INC.

WHEREAS, the property affected by this Records Retention Schedule is subject to certain dedications, covenants and restrictions (the "Declaration") set out in instruments recorded in the Deed Records of Montgomery County, Texas, as follows:

- *Section One* – Vol. 756, Page 643, *et seq.*, and Amendment to Restrictions – Vol. 769, Page 316, *et seq.*;
- *Section Two* –Vol. 782, Page 346, *et seq.*, and Amendment to Restrictions – Vol. 835, Page 258, *et seq.*
- *Section Two (Amendment; Replat)* – Vol. 835, Page 258, *et seq.*;
- *Section Two (Amendment; 2nd Replat)* – Vol. 862, Page 720, *et seq.*;
- *Section Three* – Vol. 920, Page 483, *et seq.*;
- *Section Four* – Vol. 920, Page 493, *et seq.*;
- *Section Five* – Vol. 933, Page 239, *et seq.*; and
- *Section Six* – Vol. 933, Page 249, *et seq.*; and

WHEREAS, pursuant to the authority vested in the Seven Coves Association, Inc. (the "Association") in the Declaration and as required by the TEXAS PROPERTY CODE, the Board of Directors of the Association (the "Board") hereby promulgates the following Records Retention Schedule; and

WHEREAS, the Association keeps books, records of account, minutes, bank records, tax information, insurance records, real estate records, and other information, in the regular course of its business; and

WHEREAS, the Board desires to set a schedule for retaining such records and other information maintained by the Association; and

WHEREAS, it is desirable to set a reasonable records retention schedule to maintain control, effective record keeping, and to effectively conduct the Association's normal business.

NOW, THEREFORE, BE IT RESOLVED that the following records retention schedule is established by the Association:

I. CORPORATE "LEGAL" DOCUMENTS & RECORDS

The following records are to be retained permanently:

- Articles of Incorporation / Certificate of Formation
- Bylaws
- Restrictive Covenants / Declaration
- Amendments to the Articles of Incorporation / Certificate of Formation
- Amendments to the Bylaws
- Amendments to the Restrictive Covenants / Certificate of Formation
- Deeds for Association Property
- Annexation Records
- Plats
- Management Certificates

II. CORPORATE FINANCIAL RECORDS

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

- Check Register
- 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
- Year End Audits / Tax Returns

III. MINUTES OF MEETINGS

The following records are to be retained for seven (7) years:

- 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

IV. ACCOUNT RECORDS OF CURRENT OWNERS:

Account records shall be kept for five (5) years.

V. CONTRACTS:

Contracts with a term of more than one (1) year are to be retained for four (4) years after contract expires.

VI. RECOMMENDED RETENTION FOR OTHER CORPORATE RECORDS (in alphabetical order):

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: 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 years or as long as deemed useful to the Committee with respect to an on-going project.

Contracts With a Term of Less Than One Year: 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.

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).

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.

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) (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.

VII. RECOMMENDED RETENTION FOR RECORDS RELATING TO INDIVIDUAL MEMBERS OR MEMBER PROPERTIES:

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 that is not in connection with a deed restriction violation or accounts receivable activity

shall be retained for five (5) years past the origination date or as long as it is deemed useful to the association. Ex. – Title, ownership, or closing information (three years after an ownership change), or a letter from homeowner requesting information on the MUD ditch that abuts the property (three 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.

This is to certify that the foregoing Schedule was adopted by the Board of Directors, effective this date, until such date as it may be modified, rescinded or revoked.

The Board of Directors hereby approves and authorizes the above Schedule.

Signed this 11th day of FEBRUARY, 2013.

SEVEN COVES ASSOCIATION, INC.

By: _____
JOHN SHEPHERD, President

Doc# 2013014765

FILED FOR RECORD
02/14/2013 10:57AM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in file number sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Montgomery County, Texas.

02/14/2013

COUNTY COURT OF MONTGOMERY COUNTY, TEXAS

Mark Turnbull

County Clerk
Montgomery County, Texas