

**SOUTHRIDGE CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.
POLICY AND PROCEDURES RE: RESERVE FUNDS**

WHEREAS, the Association has a critical interest in preserving the value of the Association's reserve funds; and

WHEREAS, a written policy for the investment of reserve funds is required by Colorado Revised Statutes 38-33.3-209.5(1)(b)(VI).

NOW, THEREFORE, BE IT RESOLVED, that Southridge Condominiums Homeowners Association, Inc. (the "Association") hereby adopts the following procedures governing its investment policy and procedure.

1. **Fiduciary Duty:** The Board of Directors of the Association has the fiduciary duty to prudently manage reserve assets. Accordingly, the Board has set forth an investment policy to pursue the Association's objectives and goals.
2. **Authorized Investments:** Association funds may only be deposited or invested in authorized investments, which shall be reviewed and approved by the Association's Board at least annually.
3. **Investment Objectives:** Investments shall be guided by the following objective, listed in decreasing order of importance:
 - a. Long-term safety of the fund's principal;
 - b. Liquidity and accessibility to ensure funds are available for projected or unexpected expenses;
 - c. Minimizing investment costs;
 - d. Investing with professional managers with sound credentials and reputations;
 - e. Investing to seek the highest level of return that remains consistent with the preservation of the purchasing power of the principal and accumulated interest.
4. **Selection Criteria:** Subject to approval of the Board, funds needed within 6 months shall generally be invested in savings accounts or money market funds; funds needed within 1 year shall be invested in certificates of deposit, and funds not needed for over one 1 year may be laddered and invested in certificates of deposit or treasury notes.

5. **Review and Control:** The Association's Treasurer will receive monthly reserve statements, containing detailed accounting of current values, income, and transactions. These statements are available for review by Owners upon written request, consistent with the Association's policy for Inspection and Copying of Association Records.

6. **Deviation:** The Board of Directors may deviate from the procedures set forth in this Policy if the deviation is reasonable under the circumstances.

7. **Amendment:** The Association may amend this procedure from time to time, consistent with the requirements of the Association's governing documents and Procedures for the Adoption and Amendment of Policies, Procedures, and Rules.

DIRECTORS CERTIFICATION:

Adopted on: March 21, 2022



By: Josh Stark, President

By: _____, Secretary