

Arran Estates Homeowners Association

Investment Policy and Procedure Pursuant to C.R.S. §38-33.3-209.5(1)(b)(vi)

BE IT RESOLVED, that (the “Association”) hereby adopts the following procedures to the following investment reserves.

1. Scope.

To adopt a policy outlining procedures to be followed for investing reserves.

2. Specifics.

No funds shall be deposited or invested except in authorized investments. “Authorized investments” are those that are in accordance with the Declaration of Covenants, Conditions and Restrictions (CC&Rs) for the Association, and other governing documents of the Association that are obligations of, or fully guaranteed by, the U.S. Government.

All accounts, instruments, and other documentation of such investments shall be subject to the approval of and may from time to time be amended by the Board of Directors as appropriate, and they shall be reviewed as needed, but at least once every three years or sooner.

Investments shall be guided by the following goals, listed in decreasing order of importance:

- **Safety of Principle:** The long-term goal is the safety of reserves. A Reserve account is not mandated, but recommended by the state of Colorado, pursuant to an Investment Policy, C.R.S. §38-33.3-209.5(1)(b)(vi).
- **Liquidity and Accessibility:** Funds should be readily available for projected or unexpected expenditures.
- **Minimal Costs:** Investment costs (redemption fees, commissions, and other transaction costs) should be minimized.
- **Professional Management:** Funds should be invested with professional managers who have good reputations and sound credentials.
- **Return:** Funds should be invested to seek the highest level of return that is consistent with preservation of the purchasing power of the principle and accumulated interest.

The Board of Directors of the Association has the fiduciary duty to prudently manage reserve assets. Accordingly, the Board of Directors has set forth an investment policy to pursue Association goals and objectives. The Board of Directors expects that, over time, the strategy will produce results consistent with history and meet the reserve fund’s goals.

3. Goals and Objectives.

The Association's capital replacement reserve assets shall be invested to achieve the following objectives:

- Promote and ensure the preservation of the reserve fund's principal.
- Structure maturities to ensure availability of assets.
- Mitigate the effects of interest rate voluntarily upon reserve assets.

4. Review and Control.

The Association's Treasurer will receive monthly reserve statements. These statements will provide detailed accounting of current values, income, and transactions. Reports will be available for members of the Association from the Treasurer upon written request.

5. Definitions.

Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the meaning given therein.

6. Supplement to Law.

The provisions of this Resolution 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 associations.

7. Deviations.

The Board of Directors may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is reasonable under the circumstances.

8. Amendment.

The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President and/or Director or Managing Agent of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Arran Estates Homeowners Association



President and/or Director/Managing Agent

Effective Date: _____


3/25/25