

ORCHARD RUN SUBDIVISION
POLICY REGARDING RESERVE FUND INVESTMENT POLICY

The Association shall strive to adhere to the following investment policies:

Short Term Requirements:

Since the need for major repairs or replacement of the infrastructure for the HOA is difficult to foresee, the Association should begin to accrue funds in a reserve fund to pay for the repair and/or replacement of such infrastructure. Annually, the Board should estimate what repairs/replacement of infrastructure will occur within the following three (3) years. Such amount of the reserve fund should be invested in federally insured money market accounts or certificates of deposit with a maturity of 6 months or less.

Long term Requirements:

If the short term requirements are funded as described above, and repairs and/or replacements are anticipated in three years or longer, any excess funds in the reserve fund may be invested in certificates of deposit, US Treasury bills, or notes with a maturity date of no more than five (5) years, or short term no load mutual funds.

Treasurer Review:

The Treasurer shall report the results of reserve fund performance to the Board of Directors on at least a quarterly basis, or upon request. The results of performance shall also be reported to the members at the annual meeting.

Adopted on _____



Secretary