

FOXTAIL PINES OWNERS ASSOCIATION

RESERVE FUND INVESTMENT POLICY

Adopted _____, 2024

The following reserve fund investment policy has been adopted by Foxtail Pines Owners Association (“Association”) pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To protect and ensure the safety of the assets in the reserve fund of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, including brokers/dealers, banks, consultants, savings institutions, and custodians.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the investment of the Association’s reserve funds:

- I. Investment Objectives. All reserve funds which are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado State Statutes and resolutions enacted by the Association’s Board of Directors in a manner to accomplish the following objectives:
 - A. Safety of Funds. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk. No single investment or account shall exceed the amount that is federally insured.
 - B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures for the following fiscal year. To ensure that adequate reserve funds are available to pay the Association’s reserve expenditures, the reserve fund and/or annual reserve fund investments shall reasonably match the planned reserve fund expenditures for the following fiscal year.
 - C. Types of Investments: The reserve fund portfolio shall consist solely of Money Market Accounts, Savings Accounts and/or Certificates of Deposit.
 - D. Yield: The investment portfolio shall attempt to earn a yield consistent with the principles set forth in this policy.
- II. Delegation of Authority: Responsibility for conducting investment transactions for the Association resides with the Treasurer. However, the Treasurer may enlist the services of the Association’s Manager or others to handle transactions with the institution holding reserve fund assets. The President of the Board of Directors will be considered an authorized person to assist the Treasurer in performing investment management, cash management, or treasury functions. Persons authorized to transact investment business for the Association are limited to these two officers. The Treasurer will provide a copy of this investment policy to all of the Association’s investment service providers. The Association’s Members may receive a copy of this investment policy from the Treasurer upon request. The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board of Directors. Such services may include

engagement of financial advisors in conjunction with debt issuance, cash management, portfolio management support, special legal representation, and third party custodial services.

The Board of Directors, through external auditors, will periodically review the compliance of the investment management practices with this reserve fund investment policy. Further, the Board of Directors shall provide a copy of this policy to the newly elected Treasurer at the assumption of office.

- III. Selection of Banks as Depositories and Providers of General Banking Services: Banks and savings institutions shall be approved by the Board of Directors to provide depository and other banking services for the Association. All accounts shall be in the name of the Association. To be eligible for authorization, a bank must be domiciled in the United States and have physical facilities for doing business in the State of Colorado, a member of the FDIC and must meet the minimum credit criteria of credit analysis provided by commercially available bank rating services. Banks failing to meet the minimum criteria or, in the judgment of the Treasurer or the Board of Directors, no longer offering adequate safety to the Association funds, shall be removed from the list.
- IV. The Board shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Board reasonably believes is in the best interest of the Association.
- V. Policy Revisions: The Board of Directors shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend changes to this policy as necessary.

Foxtail Pines Owners Association

By: _____
Jerry Eno, President

Attest

Jim Dietvorst, Secretary

This Reserve Fund Investment Policy was adopted by the Board of Directors at a regular meeting held on the ____ day of _____, 2024, for that purpose; and is effective the ____ day of _____, 202__, and is attested to by the Secretary of Foxtail Pines Owners Association.

Jim Dietvorst, Secretary