

RESOLUTION OF
THE WOODLAND PONDS HOMEOWNERS ASSOCIATION, INC.
POLICY AND PROCEDURE REGARDING
INVESTMENT OF RESERVE
Policy #8

SUBJECT: Adoption of an Investment Policy for reserves of The Woodland Ponds Homeowners Association, Inc. (the Association).

PURPOSE: To adopt a policy for the investment of reserve funds.

AUTHORITY: The Declaration of The Woodland Ponds Inc. (the Declaration), Articles of Incorporation and Bylaws of the Association, any Amendments thereto (the Governing Documents) and Colorado law.

EFFECTIVE DATE: 2/23/2018

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope: In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owner's homes and livability in the Community, the Executive Board determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund: The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Executive Board may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves: The Executive Board of the Association shall invest funds held in the Reserve Fund account to generate revenue that will accrue to the Reserve Funds account balance pursuant to the following goals, criteria, and policies:
 - a) Safety of Principal: Promote and ensure the preservation of the Reserve Fund's principal.
 - b) Liquidity and Accessibility: Structure maturities to ensure availability of assets for Projected or unexpected expenditures.
 - c) Minimal Costs: Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
 - d) Return: Funds should be invested to seek a reasonable rate of return.

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- 4) Limitations on Investments Unless otherwise approved by the Executive Board, all Investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or by the United States Government. Approved FDIC investment classes include;
 - a) Savings accounts
 - b) Money Market accounts
 - c) Certificates of Deposits in FDIC insured financial institutions.

- 5) Strategy The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing A laddered investment approach.

- 6) Review and Control: The Executive Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

- 7) Reserve Study: In order to determine funding of the Reserve Fund, the Executive Board may determine, with assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining , replacing, and improving those identified areas (hereinafter referred to as Reserve Study).

- 8) Review of Reserve Study: The Executive Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation, and interest yield on invested Funds, plus modification, addition, or deletion of components.

- 9) Definitions: Unless otherwise defined in this Resolution, initially capitalized of Terms defined in the Declaration shall have the same meaning herein.

- 10) 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 the community.

- 11) Deviations: The Executive Board may deviate from the procedures set forth in this Resolution if its sole decretion such deviation is reasonable under the circumstances.

- 12) Amendment: This policy may be amended from time to time by the Executive Board.

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PRESIDENT'S CERTIFICATION: The undersigned being the President of the Association, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on 7/23/08 and in witness thereof, the undersigned has subscribed his/her name.

THE WOODLAND PONDS HOMEOWNERS ASSOCIATION, INC.

By: _____
President

By: _____
Vice President

By: Jeanne Welford
Secretary

By: Bruce C. Young
Treasurer

