

Cedar Park Owners Master Association

Policies and Procedures For Investment of Reserve Funds

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Cedar Park Owners Master Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the investment of reserve funds

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures to govern the investment of reserve funds:

- A. The Board is bound by the standard of conduct set out in Section 7-128-401 of the Colorado Revised Nonprofit Act, which states in part that each Director shall act *"in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the non-profit corporation."*
- B. C.R.S. 38-33.3-303(2)(b) provides that Members elected to the Board will be liable for wanton or willful actions or omissions.
- C. The Colorado Courts have applied the Business Judgement Rule in their review of actions taken by Boards of Colorado nonprofit corporations.
 1. Without waiving the statutory duty of care applicable to the Board as elected by Owners, the Association, acting through the Board, shall exercise business judgement in the investment of reserve funds.
 2. The Association will vote annually on a certain percentage of funds to be invested. If there is no quorum, the Board will determine the percentage to invest. The percentage to be invested will be reflected in the Association's Annual Budget
 3. Balances in savings, or any other reserve investment(s), shall be made known at the Association's Annual Membership Meeting to update reserve status to Owners.
 4. In the event the Board lacks experience in the investment options being considered to evaluate the safety and income potential, the Board may consider the opinions of: its legal counsel, its public accountant, or other person the Board reasonably believes is competent in such matters, provided that other person will not directly benefit from the investment or that person is insured against errors and omissions.
 5. The Board shall discuss the results of the investigation and the options for investment which meet the Association's goals for safety and income potential. Emphasis will be placed on the preservation of:
 - a. Safety of Income-Income will continue to be paid in amount expected at time expected.
 - b. Safety of Principal- Principal value of investment available at the outset will be available at maturity.
 - c. Liquidity- Associations reserve funds should be liquid funds to have quick access to cash for an emergency.

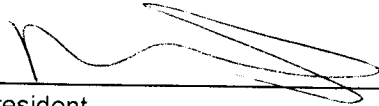
- d. Yield- the return gained on the investment.
- 6. Reserve funds documents, banking accounts, and investment documents are to be reviewed annually or before maturity deadlines to make necessary arrangements for continued reserve investment(s).
- 7. All accounts or investments of reserve funds should be listed in the name only of Cedar Park Owners Master Association. No individual homeowners name is to be listed on the account or investment.
- 8. All funds deposited, withdrawn, or transferred from accounts should have full approval from the Board and should be documented in meeting minutes.
 - a. Amount withdrawn, transferred or deposited; by whom, date, and amount of money; and reason or purpose for said action should be approved and documented.
 - b. All withdrawals must have two members from the Board present at the time of the transaction. The board members present may not be from the same household or related occupants.
- 9. Should any banking or investment institution require a signature card, the Board will provide 2 signatures on any such required and signatures cannot be from members of the same household or related occupants.

CONFLICTS BETWEEN DOCUMENTS:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 11 day of DEC, 2023.

Cedar Park Owners Master Association



President