

**RESOLUTION
OF THE
VILLAGES AT COTTON RANCH HOMEOWNER'S ASSOCIATION, INC
(herein the Association)**

SUBJECT:	Adoption of a Policy and Procedure regarding the Investment of Reserve Funds.
PURPOSE:	To provide notice of the Association's adoption of a uniform and systematic procedure for Investing Reserve Funds.
AUTHORITY:	The Declaration, Articles, and Bylaws of the Association and Colorado Law.
EFFECTIVE DATE:	
RESOLUTION:	The Association Board of Directors (herein Board) here by adopts the following policy and procedures

The publication of this Resolution on the Association website and an informational letter to all owners shall be considered as notice to owners. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning. The term Board shall be synonymous with Executive Board and the term Declaration is synonymous with Covenants, Conditions and Restrictions. This Policy and Procedure may be amended by the Board. The Board reserves the right to deviate from these procedures if in its sole discretion such deviation is reasonable under specific, documented, and unique circumstances.

Investment of Reserves: Investment decisions shall be based on ensuring the safety of the principle, diversity and return. \$10,000 of reserve funds shall be kept in ready reserves and maybe drawn upon for emergencies or to immediately start work on larger projects. Ready reserves shall be kept in liquid form such as a savings account, money market account or checking account. All investments after the initial \$10,000, shall emphasize safety first and then return, diversity considerations being part of safety. Funds shall be insured by the Federal Deposit Insurance Corporation or other Government guarantee.

Investment Strategy: Should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments and use a laddering investment approach.

Independent Professional Investment Assistance: The Board may hire a qualified investment counselor to assist in developing and executing an investment strategy and managing the portfolio.

Review and Control: The Treasurer shall review Reserve Funds investments safety and performance at least annually. The Treasurer may also hire a Certified Public Accountant or other qualified and independent professional to review the portfolio and the performance of the portfolio manager.

Reserve Study: The Board may have a reserve study performed to determine the amount of reserve funds needed and to help set a repair and replacement schedule.

Deviation: The Board may deviate from this policy if in its sole discretion, based on specific, unique and documented circumstances.

Certification: The undersigned being the President of the Association certifies that the foregoing Resolution was adopted by the Board on March 10, 2020.

Signed Edward Spivak

President, the Villages at Cotton Ranch Homeowner's Association, Inc., March 10, 2020.