

## **POLICY FOR INVESTMENT AND HANDLING OF RESERVES**

This Policy supersedes and replaces all prior policies regarding reserves.

**PURPOSE:** The following policy was adopted by the Board of Directors of Pier Point Village 2 Homeowners Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

**AUTHORITY:** The Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pier Point Village 2 recorded on December 20, 2010 at Reception #D0131702 ("Declaration"), the Bylaws of the Association, the Colorado Common Interest Ownership Act ("CCIOA"), §§7-128-401, 38-33.3-209.5 and 38-33.3-303, C.R.S., and other applicable Colorado and Federal laws.

**EFFECTIVE:** April 27, 2022

**RESOLUTION:** The Association hereby adopts the following Policy:

### ***1. Reserve Study***

- a. The Association is not required to have a Reserve Study.
- b. If the Board of Directors determines that a Reserve Study shall be conducted, it may be prepared by either a professional reserve specialist or the Association's professional property manager.
- c. Reserve Studies should be based on a physical examination of the Community.

### ***2. Reserve Fund***

- a. The Association is required to maintain a reserve fund for the replacement of improvements it is required to maintain and replace.
- b. The purpose of a Reserve Fund is to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for as these areas have limited, reasonably predictable useful lives.
- c. Funding for reserves shall be through the annual budget via common assessments.

### ***3. Investment of Reserves***

- a. The Reserve Fund shall be held in an account separate from other funds.

- b. The Association may invest some or all of the Reserve Fund in order to generate revenue pursuant to the following goals, criteria and policies:
  - i. To promote and protect the safety of the Fund's principal.
  - ii. Ensure availability of assets for projected or unexpected expenditures.
  - iii. Minimize investment costs.
  - iv. Mitigate the effects of interest rate volatility.
  - v. Seek the highest level of return.
- c. Unless specifically approved by the Board, all investments shall be FDIC insured.
- d. The Board may hire qualified investment counselors.

**Definitions.**

Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

**Supplement to Law.**

The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado.

**Deviations.**

The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

**Amendment.**

This Policy may be amended from time to time by the Board of Directors.

**Severability**

Invalidation of one of the foregoing provisions by court order or judgment shall have no effect on the remaining provisions which shall remain in full force and effect.

**CERTIFICATION:**

The undersigned, being the President of the Board of Directors of Pier Point Village 2 Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that this Policy was adopted by Resolution approved by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 4/27, 2022 and in witness thereof, the undersigned has subscribed his/her name.

**PIER POINT VILLAGE 2 HOMEOWNERS  
ASSOCIATION, INC.,**  
a Colorado non-profit corporation

By: Cynthia Harper  
Its: