

# RESERVE FUNDS AND INVESTMENTS POLICY

## The Vineyard Homeowners Association

A. Short Term Requirements: Since the need for major repairs or replacement of the infrastructure of the HOA is difficult to foresee, the Association should begin to accrue funds in a reserve fund to pay for the repair and/or replacement of such infrastructure. Annually, the Board should estimate what repairs/replacement of infrastructure will occur within each of the following three (3) years. The reserve fund should be invested in federally insured savings accounts, money market accounts or certificates of deposit with a maturity to match such anticipated expenditures.

B. Long term Requirements: If the short-term requirements are funded as described above, and repairs and/or replacements are anticipated in three years or longer, any excess funds in the reserve fund may be invested in certificates of deposit, US Treasury bills, or notes with a maturity date of no more than five (5) years, or short term no load mutual funds.

C. General Guidelines: The Board shall invest Reserve Funds to generate additional income that will accrue to such funds pursuant to the following guidelines and criteria:

1. Preserve the Reserve Fund's principal.
2. Ensure funds are available for anticipated and unexpected needs.
3. Minimize investment costs (e.g., redemption fees, commissions).
4. Diversify to reduce interest rate volatility.
5. Maximize return on investments.

D. Board Duties: Notwithstanding the foregoing, the Board shall have broad discretion in the types of investments in which to invest the reserve Funds. All investment decisions shall be made in good faith, with the same care as an ordinary and prudent investor investing his/her own funds under similar circumstances and in a manner believed to be in the best interests of the Association, in accordance with the Colorado Nonprofit Corporation Act. The Board shall review the Reserve Fund Investments and strategy on a periodic basis to ensure that the funds are earning competitive yields and in compliance with the investment policy and shall make prudent adjustments as necessary. The Board may utilize the services of a qualified investment counselor to assist the Board in formulating an investment strategy

E. Treasurer Reports: The Treasurer or manager shall report the results of reserve fund performance to the Board of Directors upon request. The results of Reserve Fund performance shall also be reported to the members at the annual meeting.

F. Unless otherwise defined in the Policy, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

G. This Policy adds to and supplements the terms of other governing documents of The Vineyard and Colorado State law.

H. Deviation from these procedures within this policy shall be at the discretion of the Board and may occur under reasonable circumstances.

I. The Board may decide to amend this policy at any time.

The undersigned certify that this Policy was adopted on 12<sup>th</sup> Apr., 2025 by resolution of the Board of Directors.



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Andrew Smith – President



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Robin Cyr - Secretary