

**EAGLE RIVER COMMERCIAL CENTER ASSOCIATION, INC.
POLICY REGARDING INVESTMENT OF RESERVE FUNDS**

PURPOSE: To set a procedure for investment of Reserve Funds.

AUTHORITY: The Governing Documents and Colorado law.

The Governing Documents are comprised of:

- a. Condominium Declaration for Eagle River Commercial Center Association, as amended and supplemented ("**Declaration**");
- b. Plat Maps for Eagle River Commercial Center Association, as amended ("**Map**");
- c. Bylaws of Eagle River Commercial Center Association, as amended ("**Bylaws**");
- d. Articles of Incorporation for Eagle River Commercial Center Association ("**Articles**");
- e. Rules and Regulations of Eagle River Commercial Center Association ("**Rules**");
- f. Responsible Governance Policies of Eagle River Commercial Center Association, as required by C.R.S. 38-33.3-209.5 ("**RGP**s").

Colorado Law is comprised of:

- a. Colorado Common Interest Ownership Act ("**CCIOA**") codified at C.R.S. 38-33.3-101 et seq.; and
- b. Colorado Revised Not for Profit Corporation Act ("**CRNPCA**") codified at C.R.S. 7-121-102 et. seq.

EFFECTIVE DATE: DECEMBER 13, 2023.

RESOLUTION: Eagle River Commercial Center Association, Inc. ("**Association**") hereby adopts the following Policy Regarding Investment of Reserve Funds ("**Policy**") which replaces all previous policies regarding investment of reserve funds. Any undefined term herein shall have the meaning provided for in the Governing Documents or Colorado law.

1. **General.** The Association maintains a Reserve Fund per the Governing Documents and Colorado Law ("**Reserve Account**"). This Policy governs investment of any Reserve Funds maintained by the Association. This Policy does not govern the use of Reserve Funds.

2. **Purpose of the Reserve Fund.** The purpose of the Reserve Fund is to responsibly fund and finance the projected repair and replacement of those portions of the Eagle River Commercial Center community that the Association is responsible for and for such other funding as the Board of Directors 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 Board of Directors of the Association shall invest Reserve Funds 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. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
- d. Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
- e. Return. Funds should be invested to seek a reasonable rate of return.

4. **Limitations on Investments.** Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

5. **Investment 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. The Association can, if desired, seek and receive advice regarding investment of the Reserve funds from financial professionals. The Association's Board of Directors is entitled to rely upon any such expert advice provided.

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

PRESIDENT'S CERTIFICATION: The undersigned President of Eagle River Commercial Center Association, Inc, a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association in compliance with the Governing Documents and Colorado Law.

EAGLE RIVER COMMERCIAL CENTER ASSOCIATION, INC., a
Colorado nonprofit corporation

By: Dan Lambert *Dan Lambert* pres.
President of the Board of Directors