SUN COUNTRY MEADOWS IMPROVEMENT ASSOCIATION
INVESTMENT OF RESERVES POLICY

Effective Date: May 1, 2024

1. With regard to investment of reserve funds, directors and officers are subject to the standard of care outlined in this policy. Officer, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

A. Directors and officers will perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In performing the duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more Association officers or employees whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, community association manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within the person's professional or expert competence; or (iii) an Association committee on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

B. A director or officer is not considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause reliance on others as provided above to be unwarranted. A director or officer is not liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director of officer performs his duties in compliance with this policy. A director or officer, regardless of title, is not deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

2. The Board establishes the amount, if any, to be transferred to reserve funds on an annual basis.

3. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments pursuant to the Association's investment goals. No funds will be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance unless approved by the Board.

4. The reserve funds will be invested to achieve the following goals, in descending order of importance:

A. Promote the preservation of principal;

B. Structure maturities to promote liquidity and accessibility of funds for projected or unexpected expenditures;

C. Mitigate the effects of interest rate volatility upon reserve assets;

D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;

E. Minimize investment costs.

5. The Board may consider the following circumstances in investing reserve funds:

A. General economic conditions;

B. Possible effect of inflation or deflation;

C. Expected tax consequences;

D. Role that each investment plays in the overall investment portfolio;

E. Other Association resources.

6. All accounts, instruments and other documentation of investments will be subject to the approval of, and may from time to time be amended by, the Board as appropriate, and will be reviewed periodically.

7. The President or Treasurer are authorized to purchase, invest in, acquire, sell, or assign any and all types and kinds of investments meeting the goals in paragraph 4; and to enter into agreements, contracts, and arrangements with respect to security transactions and to execute, sign or endorse agreements on the Association's behalf. To withdraw or transfer funds, the signature of the President and Treasurer will be required.

8. The Association will carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds, as required by the governing documents and Colorado law.

9. The Association's Board of Directors, or other person designated by the Board, will maintain monthly statements, including detailed accounting of current values, income, and all transactions.

This Investment of Reserves Policy was adopted by the Board of Directors on this 15th day of May, 2024.

SUN COUNTRY MEADOWS IMPROVEMENT ASSOCIATION,
a Colorado nonprofit corporation,

By: Dennis Brewster
Its: President