[redacted]

Policy Regarding Investment of Reserve Funds

The following policy regarding the investment of reserve funds was adopted by the Board of Directors of [redacted], ("Association") pursuant to [redacted], at a regular meeting of the Board of Directors.

Effective Date: [redacted]

NOW, THEREFORE, it is resolved that the Association does adopt the following policy regarding the investment of reserve funds:

1. The Board shall be entitled to rely on the information, opinions, reports or statements of accountants, legal counsel, and those other persons the Board reasonably believes have professional or expert competence in the matters at issue. The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the standards set forth in [redacted], except that as used in that section, "corporation" or "nonprofit corporation" means the Association, "Director" means a member of the Association's Board, and "Officer" 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 Association.

2. The Treasurer of the Association shall be primarily responsible for the tasks of investigating investment options for and the investment of the Association's reserve funds. However, the entire Board shall be responsible for the ultimate decisions made with regard to the investment of reserve funds.

3. The Treasurer shall evaluate investment options available to the Association, taking into account the security of the investment, the potential rate of return, the availability of federal deposit insurance, the liquidity of the investment, the reputation of the investment as well as of any advisors to the Treasurer, as well as any other factors that the Treasurer deems are reasonable.

4. Any investment of Association funds shall take into consideration the preservation of the principal balance of the reserve funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital. The Association shall, when investigating potential investment options, seek to mitigate loss by diversifying the investment portfolio, limiting investments to the safest types of investments, minimizing the risk of the market value of investments in the portfolio due to changes in general interest rates, structuring its investments in such a way as to remain sufficiently liquid to meet all planned reserve fund expenditures, and minimizing the need to sell investments prior to maturity.

5. The Treasurer shall report to the Board with the Treasurer's recommendations regarding the investment of reserve funds. The Board shall vote on the decisions made and shall document such vote in the minutes of the Association.

6. No member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons shall financially benefit, directly or indirectly, in the investment of reserve funds other than as a member of the Association generally.

7. The Board shall investigate on a periodic basis, but no less frequently than quarterly, the current balance of reserve funds and shall adjust the investments as needed to comply with the terms of this policy and the advice of those professionals upon whom the Board rely.

In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the [redacted]

[redacted]