

POLICY

---- Investing Reserve Funds ----

1) PURPOSE:

The purpose of this policy is to ensure Association Reserve funds are invested in a prudent manner, which considers both risks and returns, with the objectives of maximizing funds security and growth, ensuring timely access to the funds, and transparency in all investment activities.

2) SCOPE:

This policy applies to all Association funds classified as reserves by the Association.

3) POLICY:

- a. Investment Authorization: Reserve funds may be invested in order to grow the value of those funds.
- b. Permitted Accounts: Reserve funds may only be invested in interest-bearing accounts that are insured by the FDIC/FCU.
- c. Approved Financial Institutions and Instruments: Reserve funds may only be invested and/or maintained in CD's and/or MMDA's at community banks, savings banks, commercial banks, savings and loan associations, or credit unions, provided these institutions are FDIC/FCU insured. All such investment choices are directed by the treasurer and affirmed by the BOD.
- d. Account Signatories: All CD's and/or MMDA's must have signatures from at least two (2) BOD members on the accounts.
- e. Non-Standard Institutions: To invest in financial institutions other than those listed above, an approval vote of Unit Owners shall be required.
- f. Investment Recommendations: The Association Treasurer will recommend investment options to the BOD based on the prevailing highest interest rates, aligning matching maturity dates with projected expenditure needs, and considering FDIC/FCU insurance limits. The BOD is responsible for affirming investment choices in a prudent manner.
- g. Government Insurance Limits: The total of all Association funds (both Reserve and Operating) in any one financial institution shall not exceed the then current FDIC/FCU insurance limit. However, if the maturity date(s) of the investment instrument(s) cause the total fund value in a financial institution to temporarily exceed the FDICFCU limit, this may be allowed for a short period. It is not the intent of this policy to require the "early withdrawal" of a CD solely to avoid exceeding the FDIC/FCU limit. Best efforts should be made to plan CD maturity dates to minimize the likelihood of exceeding the FDIC/FCU limit.

- h. Rollover of Maturing CD's: When a CD matures, if it is to be 'rolled over', all interest income earned in that CD shall be deposited into the reserve MMDA account..
- i. Fiduciary Responsibility: All investment decisions shall be made in the best interest of the Association.

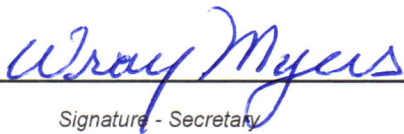
4) DEFINITIONS:

- a. "BOD" means the Association's Board of Directors.
- b. "CD" means Certificate of Deposit.
- c. "FCU" means Federal Credit Union.
- d. "FDIC" means Federal Deposit Insurance Corporation.
- e. "MMDA" means Money Market Deposit Account.
- f. "Operating Funds" means those funds used to meet the regular, recurring costs of operations.
- g. "Reserve Funds" means those funds used to fund future replacements, major repairs, and purchases of additional commonly owned assets.


5) APPROVAL / REVISION HISTORY:

- a. BOD APPROVAL: December 18, 2025
- b. BOD REVISIONS; N/A

This policy was approved by the Association's Board of Directors on the 18th day of December, 2025 and shall be effective as of the 18th day of December, 2025.



Signature - Secretary



Date