

**SAN JUAN VISTA LANDOWNERS' ASSOCIATION, INC.
POLICY REGARDING RESERVE ANALYSIS AND INVESTMENT**

The purpose of this Policy is to provide for an analysis and investment plan for the Association's reserve funds.

This Policy is in compliance with Colorado Revised Statute §38-33.3-209.5, and the Articles of Incorporation and Bylaws of the Association.

RESERVE POLICY

1. Each year, prior to the preparation of the annual budget, the Board shall perform an internally conducted Reserve Analysis to estimate the funds that shall be needed over the ensuing five year period (at a minimum) for major repair and replacement of common infrastructure which the Association is responsible for maintaining, repairing and replacing. The Reserve Analysis shall include a recommendation for the level of funding of reserves for the next fiscal year, taking into account the level of reserve accumulated to date and the anticipated funding needs. This Reserve Analysis need not include routine maintenance and upkeep, items which shall be included in the Association's annual budget.
2. The Board shall use its reasonable business judgment in determining how to invest money on deposit in any Reserve Fund account. Factors that the Board shall consider when making an investment decision include safety of funds, interest rate, and liquidity.
4. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

END OF POLICY