

**RESOLUTION OF STAGESTOP OWNERS ASSOCIATION,
REGARDING RESERVE FUND INVESTMENT POLICY**

The following Reserve Fund Investment Policy has been adopted by Stagestop Owners Association, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5 by the Board of Directors.

Purpose: To protect and ensure the safety of the assets and capital improvements of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, including brokers/dealers, banks, consultants, savings institutions, and custodians.

The following investment policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal investment management of the Association's reserve funds.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the investment of the Association's reserve funds:

1. Investment Objectives

All funds which are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado Revised Statutes and resolutions enacted by the Association's Board of Directors in a manner to accomplish the following objectives:

- A. Safety of Funds: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk.
 - 1. Credit Risk: The Association will minimize credit risk, the risk of loss due to the failure of the financial institution, by:
 - a. Limiting investments to the safest types of investments as provided for herein;
 - b. Pre-qualifying the financial institutions, brokers/dealers, and advisors with which the Association does business; and
 - c. Subject to the limitations herein, diversifying the investment portfolio so that potential losses on individual investments will be minimized.
 - 2. Interest Rate Risk: The Association will minimize the risk of the market value of investments in the portfolio due to changes in general interest rates by:
 - a. Structuring the investment portfolio so that investments mature sufficiently close to cash requirements for ongoing operations, thereby minimizing the potential need to sell investments prior to maturity; and
 - b. Investing all funds primarily in short- to intermediate-term investments.
- B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures for the following fiscal year. To ensure that adequate reserve funds are available to pay the Association's reserve expenditures, annual reserve fund investments shall reasonably match the planned reserve fund expenditures for the following fiscal year.
- C. Types of Investments: The reserve fund portfolio shall be invested in a federally insured institution or in bills, bonds or other instruments backed by the full faith and credit of the United States of the State of Colorado.

**RESOLUTION OF STAGESTOP OWNERS ASSOCIATION,
REGARDING RESERVE FUND INVESTMENT POLICY**

2. Delegation of Authority

Responsibility for conducting investment transactions for the Association resides with the Treasurer or the President. The Treasurer will provide a copy of this investment policy to all of the Association's investment service providers. The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board of Directors.

3. Reporting

On an annual basis, an investment report shall be prepared and submitted by the Treasurer or an outside advisor, who will provide such report to the Board of Directors in a timely manner, listing the reserve fund investments held by the Association and the current market valuation of the investments. The report shall include a summary of investment earnings during the prior fiscal year.

By: *Lynda F Clay (electronic signature)*

Lynda F. Clay, Stagestop Board of Directors - President

This policy was adopted by the Board of Directors on the 10 day of June, 2017 and is attested to by the Secretary of Stagestop Owners Association, Inc.

By: *Virginia Skeffington (electronic Signature)*

Virginia Skeffington, Stagestop Board of Directors - Secretary