

POLICY
OF LOMA LINDA SUBDIVISION HOMEOWNERS ASSOCIATION
REGARDING PROCEDURES FOR ESTABLISHING BANK ACCOUNTS AND
MAINTAINING MINIMUM BALANCES

SUBJECT: Adoption of a procedure to be followed for establishing bank accounts for the Association and maintaining minimum balances is established accounts.

PURPOSE: To define the types of Bank Accounts to be established and maintained by the Association and to define minimum balances to be retained in those

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: May 9, 2023

RESOLUTION: The Association hereby adopts the following procedures to be followed in establishing bank accounts and maintaining minimum balances in such accounts:

1. The Association will maintain two standing Bank Accounts in a Federally Insured Financial Institution. The Association may, from time to time, maintain additional accounts for the purpose of holding Special Assessment Funds.

2. Operating Account: The Operating Account will be the Account into which all regular dues are deposited and from which, all operating expenses will be paid. The minimum balance in the Operating Account shall be \$5,000.00. On an annual basis, accumulated funds in excess of the account minimum may be re-directed as set forth in Paragraph 8 below.

3. Unallocated Reserve Account. The Unallocated Reserve Account shall be the Account into which the Reserve Funds collected from Members shall be deposited. This Account shall be an interest earning account.

(a) The annual contribution to the Unallocated Reserve Account shall be such amount as may be approved by the Board of Directors.

(b) The Minimum for funds in the Unallocated Reserve shall be \$20,000.

(c) Upon falling below the minimum, the members contribution to the Unallocated reserve shall be increased or, at the sole discretion of the Board of Directors, excess funds from the operating account may be utilized to bring the Reserve account back to a level equal to or exceeding the Minimum. If the Unallocated Reserve falls below the Minimum, the short fall will be replaced at the earliest opportunity, as determined by the Board of Directors.

(d) The funds in the Unallocated reserve may be spent only upon approval of the Board of Directors and may be utilized on any unforeseen expenditures of any nature.

4. Special Assessment Accounts: The Board of Directors may, from time to time, have one or more additional Bank Accounts for the purpose of accumulating Special Assessments contributions from Members that may be assessed for specific purposes. Adoption Procedure. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

5. Redirection of Excess Operating Funds: The Board of Directors during their annual review and adoption of the Budget for the forthcoming year, may determine that excess funds will exist in the Operating Account at the end of the then current operating year. As part of their Budgeting process, the Board may adopt re-direction of those excess funds into the Unallocated Reserve or any Special Assessment then in place. The members may reject that proposal as provided in the Bylaws for member's approval of the Budget.

6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

8. Deviations. The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

9. Amendment. This Procedure may be amended from time to time by the Board of Directors.

Approval of The Board of Directors:

The undersigned, being the President of the Loma Linda Subdivision Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at duly call d and held meeting of the Board of Directors on

/ in witness thereof, the undersigned has subscribed his/her name.

Loma Linda Subdivision Homeowners Association, a Colorado nonprofit corporation

By: Margaret C Fischer MAY 9, 2023

Its: President