

**RESOLUTION  
OF THE  
CHAPPARAL 480 HOMEOWNERS' ASSOCIATION  
REGARDING INVESTMENT OF RESERVE POLICY**

**SUBJECT:** Adoption of an Investment Policy for reserves of the Association.

**PURPOSES:** To adopt a policy for the investment of reserve funds.

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

**EFFECTIVE**

**DATE:**

January 1, 2007

**RESOLUTION:** The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies, listed in order of importance:
  - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
  - (b) Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
  - (c) Return. Funds should be invested to seek the highest level of return.
  - (d) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - (e) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.