

**RESOLUTION OF
PARK MEADOWS HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR
INVESTMENT OF RESERVE FUNDS**

**SUBJECT
AND**

PURPOSE: To adopt and provide policies and procedures concerning appropriate investment of reserve funds in furtherance of the Association's stated purposes.

AUTHORITY: The Declaration of Covenants, Conditions and Restrictions for Meadow Park ("Declaration"), Articles of Incorporation ("Articles") and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** January 1, 2016.

RESOLUTION: The Association hereby adopts the following policies and procedures, contained herein.

**PRESIDENT'S
CERTIFICATION:** IN WITNESS WHEREOF, the undersigned certifies that this Investment of Reserves Policy was adopted by resolution of the Board of Directors of the Association this 21st day of January, 2016.

PARK MEADOWS HOMEOWNERS ASSOCIATION, INC.
a Colorado nonprofit corporation

By:  _____
President

Investment of Reserve Policies

1. Investment of Reserves. The Board of Directors of the Association will invest funds held in the reserve fund account(s) to generate revenue that will accrue to the reserve fund account balance pursuant to the following goals, criteria and policies:
 - a. Safety of Principal. Promote and ensure the preservation of the reserve fund's principal.
 - b. Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
 - c. Minimal Costs. Minimize investments costs (redemption fees, commissions, and other transactional costs).
 - d. Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
 - e. Return. Invest funds to seek the highest level of return.
2. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.
3. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.
4. Review and Control. The Board will review reserve fund investments periodically to ensure that the funds are receiving competitive yields and will make prudent adjustments as needed.
5. Investment Decisions. Consistent with state law, investment decisions of the Board are to be made based on the standard of care outlined in the Colorado Revised Nonprofit Code. This standard of care requires directors to act: in good faith; with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the association. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.