

**POLICY**  
**OF FOREST PLACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC.**  
**REGARDING INVESTMENT OF RESERVE POLICY**

**SUBJECT:** Adoption of an Investment Policy for reserves of the Forest Place Condominiums Homeowner's Association, Inc. (the "Association").

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

**AUTHORITY:** The Common Interest Community Declaration of Forest Place Condominiums (the "Declaration"); the Bylaws of Forest Place Condominiums Homeowner's Association, Inc.; Articles of Incorporation of Forest Place Condominium Homeowner's Association, Inc.; and Colorado law.

**EFFECTIVE DATE:**

4/17/2018

**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 Executive Board 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 Executive Board 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 Executive Board 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:
  - (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. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
  - (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.

- (e) Return. Funds should be invested to seek a reasonable rate of return.
4. 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.
5. 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.
6. Independent Professional Investment Assistance. The Executive Board of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
8. Standard of Care. The officers and members of the Executive Board shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.
9. Definitions. Unless otherwise defined in this Resolution, initially capitalized terms or other terms defined in the Declaration shall have the same meaning herein.
10. 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 community.
11. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
12. Amendment. This Resolution may be amended from time to time by the Executive Board.

***Signature Page Follows.***

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Forest Place Condominiums Homeowner's Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on 4/17/2018 and in witness thereof, the undersigned has subscribed his/her name.

**Forest Place Condominiums Homeowner's Association, Inc.**, a Colorado nonprofit corporation

By: Kell Moore  
Its: President