

HIGHLANDS AT VALLEJO HOMEOWNER'S ASSOCIATION, INC.

INVESTMENT OF RESERVE FUNDS POLICY

It is the policy of the Highlands at Vallejo Homeowner's Association, Inc. (the "Association") to invest its funds in a manner which will provide a return on investment while ensuring preservation of capital and protection of investment principal, meeting the Association's cash flow requirements and conforming to all state statutes governing the investment of our owners' funds.

The Board of Directors (the "Board") may, from time to time create and approve an investment policy that addresses the specific and timely investment requirements of the Association. The Board shall make investment decisions in good faith, with the care of an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Board reasonably believes to be in the best interests of the Association, in accordance with the Colorado Revised Nonprofit Corporation Act. If a more specific and previously approved investment policy (other than this policy) exists, that policy will supersede and take precedence over this investment policy.

In the event that no other previously approved policy exists, the following Investment Policy addresses the methods, procedures and practices, which must be exercised to ensure effective and sound fiscal management.

Resolved.

Due to the fiduciary responsibilities placed on the Board by the governing documents, the Highlands at Vallejo Homeowner's Association, Inc. Board hereby adopts the following investment guidelines effective as of date of Board approval.

Investments.

All monies belonging to the Association are to be invested only in instruments guaranteed or insured by the United States government.

Maturities

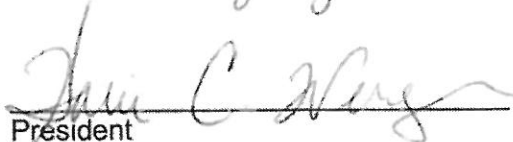
Funds may be invested to achieve the maximum return feasible while providing the liquidity necessary to meet the financial commitments of the Association. This will include "laddering" investments, which is defined as investing in securities of increasing dates of maturity.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
HIGHLANDS AT VALLEJO HOMEOWNER'S ASSOCIATION, INC.**

Pursuant to the requirements of CCIOA, the Board for the Highlands at Vallejo Homeowner's Association, Inc. hereby adopts the foregoing policy. This policy supersedes all previous investment of reserve funds policies dated prior to this policy and is subject to change after Board approval.

The provisions of this resolution shall be in addition to and in supplement of the terms and provisions of the Association's governing documents and the laws of the State of Colorado governing the Association.

BE IT RESOLVED, that the Association approves the "Investment of Reserves Policy", effective July 18, 2016.



President

HIGHLANDS AT VALLEJO HOMEOWNER'S ASSOCIATION, INC.