

**RESOLUTION  
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:** September 1, 2007

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

1. Scope. In order to maintain the areas in the Community that are the responsibility of the Association, to manage reserve funds, and protect reserve fund investment, 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 is to reasonably fund for the purpose of repair or replacement the areas of the community in which the Association is responsible for, and for other funding future projects as directed by the Board of Directors.
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:
  - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
  - (b) Return. Funds should be invested to seek the highest level of return after the criteria of section (a) is met.
  - (c) Minimal Costs. Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
  - (d) Liquidity and Accessibility. Fund should be invested in a way that ensures availability of those funds when needed.
4. Limitation on Investments. All investments will be: FDIC (Federal Deposit Insurance Corporation) insured, and/or Guaranteed by the United States Government.
5. Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
6. Review and Control. The Board shall review Reserve Fund investments periodically to ensure the funds are receiving competitive yields and shall make prudent adjustments as needed.

7. Reserve Study. In order to determine funding of the Reserve Account, the Board of Directors, with the assistance and advice of professionals, shall estimate the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas. This study shall be conducted within three years of the adoption date of this policy and shall be reviewed not less than once every three years thereafter.

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

9. 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.

10. 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.

11. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of Cortina Condominium Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the of the Association, at a duly called and held meeting of the Board of Directors on 23 JULY 09, and in witness thereof, the undersigned has subscribed his/her name.

By: Jama Pacyk, President

Jama Pacyk