

**RESOLUTION
OF CHERRY PARK OWNERS ASSOCIATION, INC. ("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, 2006

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly plan for, fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for, if any, enforcement of the covenants, conditions and restriction as provided by the Community Declaration, general association operating and for such other funding as the Board of Directors may determine.

2. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Fund account to generate revenue that will accrue to the Reserve Fund account 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) 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.

3. 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.

4. 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.
5. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. 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.
7. 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.
8. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association effective January 1, 2006, and in witness thereof, the undersigned has subscribed his/her name.

CHERRY PARK OWNERS ASSOCIATION, INC.
a Colorado nonprofit corporation

By: 
President