

**RESOLUTION OF
OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.
POLICY AND PROCEDURES
REGARDING INVESTMENT OF RESERVE
Policy #8**

SUBJECT: Adoption of an Investment Policy for reserves of Ouray River Park Townhomes Association, Inc. (the “Association”).

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

AUTHORITY: The Declaration of Ouray River Park Townhomes Association (the “Declaration”), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the “Governing Documents”) and Colorado law.

EFFECTIVE DATE: November 16, 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 Executive Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or by the United States Government.
 5. 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 Executive Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
 8. Reserve Study. In order to determine funding of the Reserve Fund, the Executive Board may determine, with the assistance and advice of professionals, 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 (hereinafter referred to as a “Reserve Study”).
 9. Review of Reserve Study. The Executive Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.
 10. Definitions. Unless otherwise defined in this Resolution, initially capitalized or Terms defined in the Declaration shall have the same meaning herein.
 11. 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.
 12. Deviations. The Executive Board may deviate from the procedures set forth in this Resolution if its sole discretion such deviation is reasonable under the circumstances.
 13. Amendment. This policy may be amended from time to time by the Executive Board.

BOARD OF DIRECTORS CERTIFICATION: See signature page.

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF OURAY RIVER PARK
TOWNHOMES ASSOCIATION, INC.**

A resolution of the Board of Directors of Ouray River Park Townhomes Association, Inc., adopting responsible governance polices for Ouray River Park Townhomes Association, Inc.

WHEREAS, Colo. Rev. Stat. § 38-33.3-209.5 requires that to promote responsible governance, common interest community associations shall adopt policies, procedures, and rules and regulations concerning the following matters:

- a. Procedures for the adoption and amendment of policies, procedures, and rules (Policy 1);
- b. Handling of conflicts of interest involving board members (Policy 2);
- c. Collection of unpaid assessments (Policy 3);
- d. Conduct of meetings (Policy 4);
- e. Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines (Policy 5);
- f. Procedures for addressing disputes arising between the association and unit owners (Policy 6);
- g. Inspection and copying of association records by unit owners (Policy 7);
- h. Investment of reserve funds (Policy 8); and
- i. When the association has a reserve study prepared for the portions of the community maintained, repaired, replaced, and improved by the association; whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and whether the reserve study is based on a physical analysis and financial analysis (Policy 9).

WHEREAS, Ouray River Park Townhomes Association, Inc. is a common interest community under Colorado law;

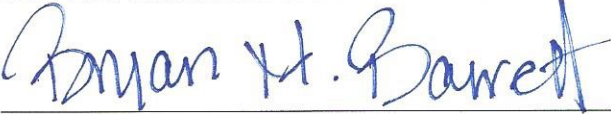
WHEREAS, pursuant to Colo. Rev. Stat. § 38-33.3-303(1)(a), except as otherwise provided in the declaration, the bylaws or any other provision of Article 33.3, the executive board may act in all instances on behalf of the association;

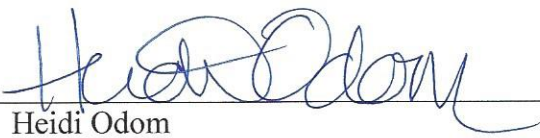
WHEREAS, the Board, in furtherance of its duties to manage the planned community for the purposes set forth in the Declaration, desires to adopt the policies, procedures, and rules and regulations concerning the matters required under Colo. Rev. Stat. § 38-33.3-209.5.

OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.
BOARD OF DIRECTORS

BOARD OF DIRECTORS CERTIFICATION: The undersigned, being the Board of Directors of the Association, certifies that the foregoing Resolution was adopted at a duly called and held meeting of the Board of Directors on November 16, 2018 and in witness thereof, the undersigned has subscribed his/her name.

OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.

By: 
Bryan Barrett

By: 
Heidi Odom