

**RESOLUTION OF THE
BEL-AIRE ESTATES OWNERS ASSOCIATION
REGARDING
THE INVESTMENT OF RESERVE FUNDS POLICY**

SUBJECT: Adoption of an Investment Policy for reserves of the Association.

PURPOSE: 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:** July 16, 2013

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. The Association is responsible for constructing, reconstructing, repairing and replacing Improvements upon Association Properties. The Board of Directors determines that it is necessary to have a policy for the investment of Reserve Funds.

2. Reserve Funds Defined. The Reserve Funds are those monies that the Association has accumulated over time and set aside to cover the anticipated costs for the replacement of or significant repairs to assets owned by the Association.

3. 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 Board of Directors may determine. The portions of the Community that the Association is responsible for limited useful service lives.

4. Investment of Reserves. The Board of Directors of the Association shall oversee the investment of the Reserve Funds pursuant to the following goals:

(a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal balance.

(b) Liquidity and Accessibility. Structure maturities to ensure availability of Reserve Funds for projected and unexpected expenditures.

(c) Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

(d) Diversify. Mitigate the effects of volatility upon Reserve Assets whether due to interest rate risk, price changes, credit risk, concentration of assets or other factors.

(e) Return. Funds should be invested to seek a high level of return while maintaining the other goals.

5. Limitation on Investments. Unless otherwise approved by the Board, the Reserve Funds will be invested in accounts or instruments insured by the Federal Deposit Insurance Corporation or "FDIC" and/or be instruments which are issued or guaranteed by the United States Government.

6. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of holdings within the portfolio utilizing a laddered approach.

7. 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.

8. 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.

9. Standard of Care. The officers and members of the Board of Directors 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.

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 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 policy may be amended at any time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on July 16, 2013 and in witness thereof, the undersigned has subscribed his/her name.

BEL-AIRE ESTATES OWNERS ASSOCIATION,
a Colorado nonprofit corporation,

By: 
Ghassan Timani
President of the Board of Directors